





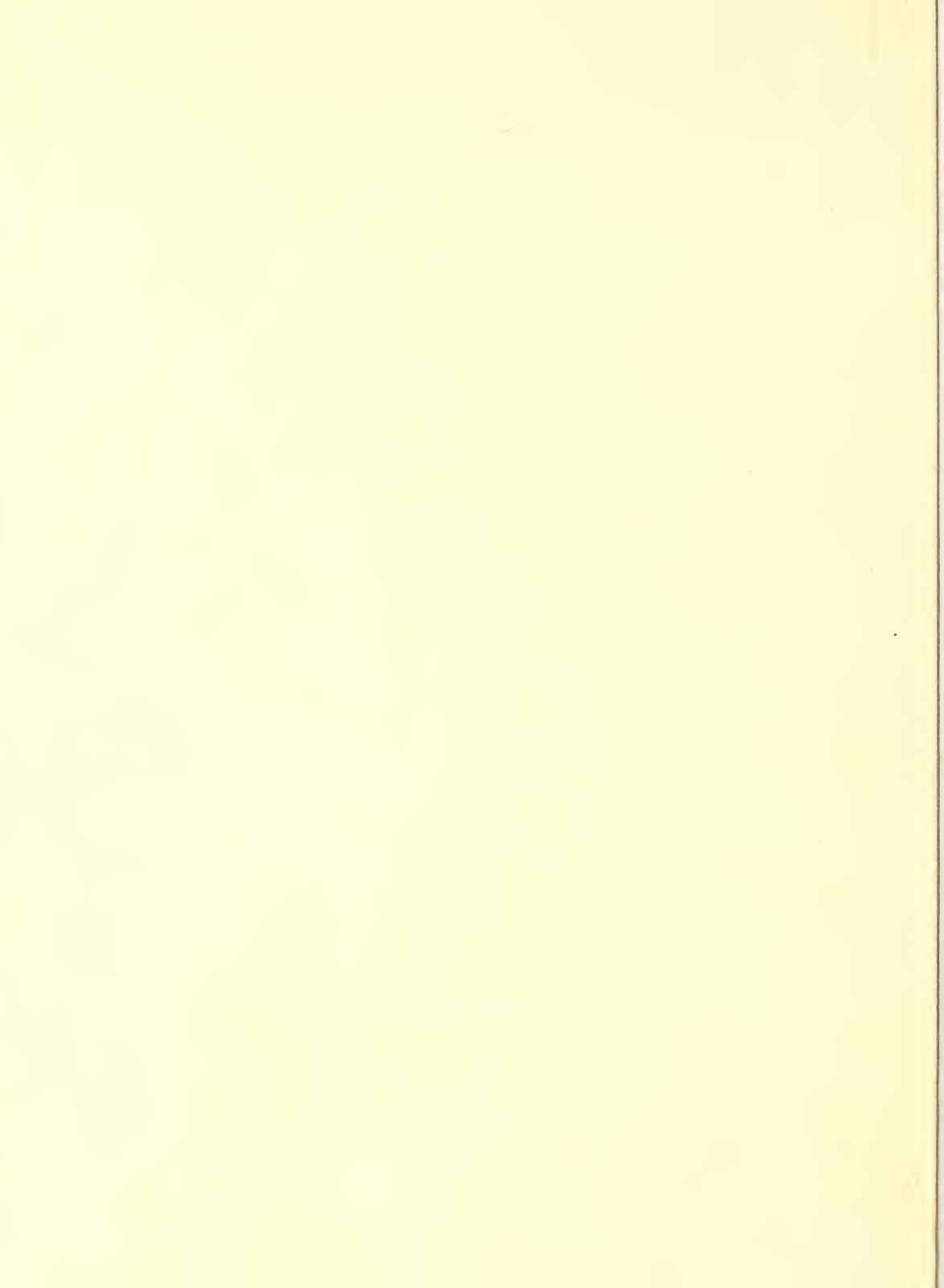
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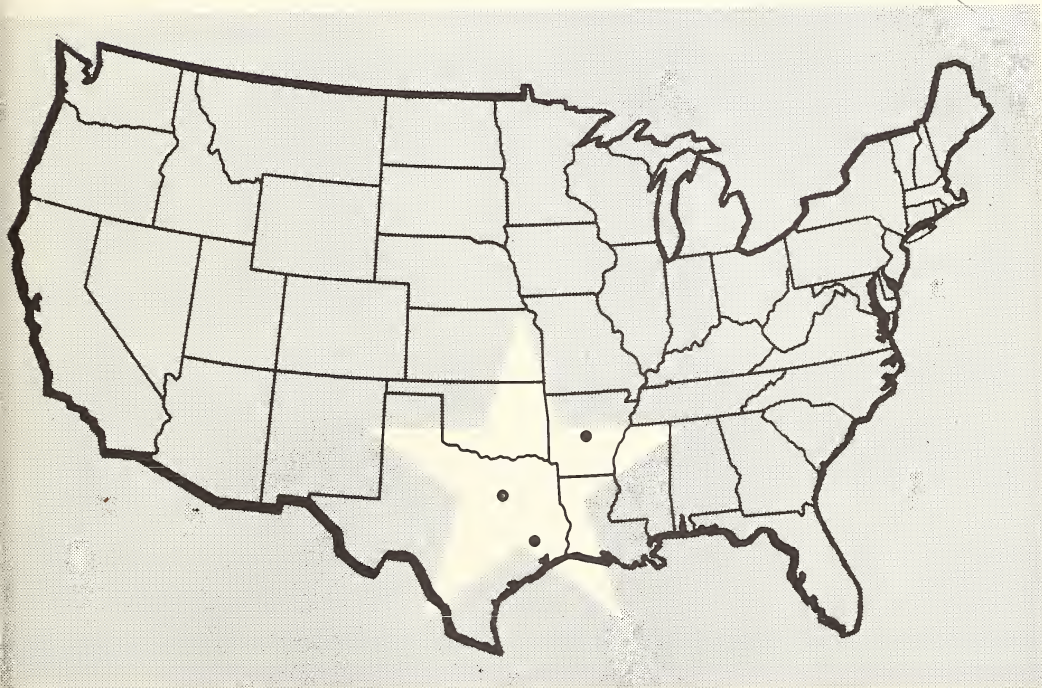
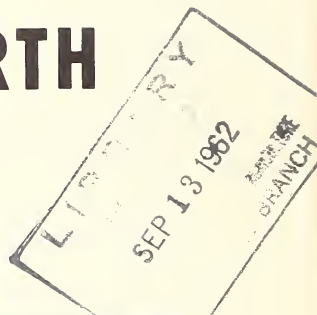




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# The Organization of the Wholesale Fruit and Vegetable Market in

- ★ DALLAS-FORT WORTH
- ★ HOUSTON
- ★ LITTLE ROCK



Marketing Research Report No. 558

UNITED STATES DEPARTMENT OF AGRICULTURE  
ECONOMIC RESEARCH SERVICE  
Marketing Economics Division





## FOREWORD

This is the sixth in a group of reports under the general title, The Organization of Wholesale Fruit and Vegetable Markets. The first five reports in the group are:

The Organization of the Wholesale Fruit and Vegetable Market in Boston, by Alden C. Manchester, Mktg. Res. Rpt. No. 515, December 1961.

The Organization of the Wholesale Fruit and Vegetable Market in Washington, D. C., by Alden C. Manchester, Mktg. Res. Rpt. No. 524, February 1962.

The Organization of the Wholesale Fruit and Vegetable Market in Denver, Salt Lake City, El Paso, Albuquerque, and Butte, by Alden C. Manchester, Mktg. Res. Rpt. No. 541, May 1962.

The Organization of the New York City Wholesale Fruit and Vegetable Market, by Alden C. Manchester, Mktg. Res. Rpt. No. 542, May 1962.

The Organization of the Wholesale Fruit and Vegetable Market in Pittsburgh, by Alden C. Manchester. (In press.)

Other reports, some of which will be published by cooperating agricultural experiment stations, will describe 40 other markets throughout the Nation. A final report will summarize the reports on the individual markets, bring up to date the analysis of the organization of wholesale fruit and vegetable markets, analyze changes that have taken place since the beginning of the study, and survey the outlook for the years ahead.

This work is a part of a program of research designed to broaden understanding of the food marketing system and thereby make it more efficient. Earlier reports on this general subject include:

The Changing Role of the Fruit Auctions, by Alden C. Manchester, Mktg. Res. Rpt. No. 331, June 1959.

Chainstore Merchandising and Procurement Practices. The Changing Retail Market for Fresh Fruits and Vegetables, by William E. Folz and Alden C. Manchester, Mktg. Res. Rpt. No. 417, July 1960.

The information from the firms in the Dallas-Fort Worth and Houston markets was obtained by a team consisting of Robert A. Bohall, W. Fred Chapman, Jr., Alvin Z. Macomber, and Alden C. Manchester. The information from Little Rock firms was obtained by Donald E. Farris and Roy E. Lambert of the University of Arkansas.

Definitions of many of the terms used in this study will be found in the Appendix.

Further research is now underway on the impact of the changes taking place in the organization and operation of wholesale fruit and vegetable markets on shipping-point markets, including growers, packers, and shippers.

The Fruit and Vegetable Division of the Agricultural Marketing Service was most helpful in planning and conducting the study.

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Washington, D. C.

August 1962

## HIGHLIGHTS

Three wholesale produce markets in Texas and Arkansas received a total of nearly 53,000 carlots of fresh fruits and vegetables in 1958. The Dallas-Fort Worth market led with 29,700 carlots. Houston receipts were 18,100 carlots and Little Rock 5,100.

Brokers, distributors, and sales agencies sold about a third of the total volume in Dallas-Fort Worth and Houston but a much smaller proportion in Little Rock. Chains and voluntary groups handled 30 percent of total sales in Houston and 22 percent in Dallas. Brokers and chains combined sold 43 percent of the Little Rock volume.

There were 84 wholesalers in the Dallas-Fort Worth market. The 25 large firms -- those selling over 500 carlots per year -- sold 82 percent of the volume of wholesalers. In Houston, the 11 largest of the 57 wholesalers made 60 percent of the sales. There were 14 wholesalers in Little Rock and the 4 large firms sold a smaller proportion of the total than in either of the other markets.

Service wholesalers and receiver-jobbers are the most important firm types on the Dallas-Fort Worth market, handling 22 percent of the volume. Receivers sold 10 percent of the total. In Houston, receivers made 16 percent of sales and service wholesalers and receiver-jobbers 9 percent. The two groups combined handled 39 percent of the Little Rock produce.

The number of wholesalers in Dallas-Fort Worth increased 21 percent between 1939 and 1958; in Houston the increase was 36 percent, while in Little Rock the number in the produce business declined sharply.





# THE ORGANIZATION OF WHOLESALE FRUIT AND VEGETABLE MARKETS IN DALLAS-FORT WORTH, HOUSTON AND LITTLE ROCK

By Alden C. Manchester, agricultural economist  
Marketing Economics Division  
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## INTRODUCTION

Three markets in Texas and Arkansas supply fresh fruits and vegetables to a population of over three million people. Dallas-Fort Worth is a major distribution center for Texas and adjoining States. Houston is a substantial market supplying the area within 100 miles of the city. Little Rock is a somewhat smaller market supplying two-thirds of the State of Arkansas.

This report describes the organization and operation of these markets, including the buying, selling, and operating practices of the wholesalers and chains in the markets, and the changes that have taken place during the past quarter century. The information on which the report is based was obtained as part of a nationwide study of the organization and operations of wholesale produce markets. The purpose of the study was to describe and appraise the current status of wholesale markets and the changes that had taken place in them. The findings should give firms in wholesale and shipping-point markets, farmers, interested citizens, and public agencies a better understanding of the forces at work in the marketing system for fresh fruits and vegetables, and provide a basis for making better decisions in adjusting to the changes taking place throughout the structure of marketing.

Basic data for the nationwide study were obtained in 1959 and 1960 by personal interviews with representatives of over 3,000 wholesale firms in 52 markets throughout the United States. Most of the interviews were conducted by personnel of the U. S. Department of Agriculture, but much assistance was generously given by many State Agricultural experiment stations. The survey of the Little Rock market was made wholly by the Arkansas Agricultural Experiment Station. Field work in the Dallas-Fort Worth and Houston markets was carried out by the Department.

All firms in each market were classified as to type, commodity specialization, and volume on the basis of a combination mail-and-telephone survey. All firms in the markets were surveyed. In other markets, a random sample of firms from each group was interviewed.

Data on changes in the market were obtained from a variety of sources listed in the references at the end of this report. They include unload reports of the Market News Service, the Census of Business, the Produce Packer Red Book, and earlier studies of some of these markets by the Department of Agriculture.

## DALLAS-FORT WORTH

### Market Areas

Two major market areas in the Dallas-Fort Worth market -- the Dallas Municipal Market area and the Fort Worth Terminal Market area. Wholesalers in

the Dallas Municipal Market area sold about 27,000 carlots in 1958 (table 1). Those in the Fort Worth Terminal Market area sold 11,000 carlots. These are the total sales of all wholesalers in the area, including resales of produce purchased from other wholesalers. They are higher than the net receipts in each market area.

Most of the receivers and receiver-jobbers, half of the service wholesalers, two-thirds of the prepackagers and repackers, and about 40 percent of the brokers are located in the Dallas Municipal Market area. There are 36 wholesalers in this area, including 17 who sell more than 500 carlots each. Most of the business on the Fort Worth Terminal Market is done by 3 large service wholesalers and 5 brokers. There are 12 other firms of 7 different types.

Seven other wholesalers are in various locations in Dallas, 18 in Fort Worth, and 3 in the suburbs. All but one (a sales agency) sold less than 500 carlots each.

### The Structure of the Market

The Dallas-Fort Worth wholesale produce market consists of 91 firms of 21 different types (table 2). The 7 chains handle 22 percent of the total volume, while 65 wholesale handlers sell 43 percent, and 19 brokers and agencies sell the remaining 35 percent. Among the wholesalers the following sell the highest total volume: 12 brokers sell 20 percent of the total volume; 6 service wholesalers and 1 wholesale grocer 19 percent; 10 receivers 10 percent; and 4 sales agencies 10 percent. <sup>1/</sup>

Small wholesalers -- those with sales of less than 200 carlots each -- numbered 44 and accounted for 6 percent of the sales of wholesalers. The 15 wholesalers with sales of 200-499 carlots each made 12 percent of total sales and the 25 large wholesalers made 82 percent of all wholesalers' sales. The large firms are mostly brokers, service wholesalers, and receivers. Most of the small firms are jobbers of various types, truck jobbers, purveyors, and truckers.

About half of all wholesalers sell a complete line of produce (table 3). General-line firms made nearly 60 percent of all wholesalers' sales. Seventy-six percent of the volume sold by all wholesale handlers was by firms handling a complete line, while general-line brokers and agencies accounted for only 37 percent of the sales of wholesale handlers.

All service wholesalers, wholesale grocers, truck jobbers, purveyors, and receiver-purveyors handle a complete line of produce, as do three-fourths of the receiver-jobbers, half of the brokers and jobbers, and a third of the distributors and carlot distributors. All prepackagers, repackers, truckers, and sales agencies are specialists.

### Inter-firm Relationships

Eleven wholesalers in the Dallas-Fort Worth market own or control some other firm in the produce business. The owning or controlling firms include:

1 receiver jobber	1 merchant trucker
3 prepackagers or repackers	1 selling broker
1 secondary wholesaler	1 distributor
2 receiver-purveyors	1 carlot distributor

<sup>1/</sup> See Appendix, p. 53, for definitions of types of firms.



Table 1.--Number of firms and volume handled, by market area and type of firm,  
Dallas - Fort Worth wholesale produce market, 1958

Type of firm	Dallas Municipal Market				Other areas in Dallas				Fort Worth Terminal Market				Other areas in Fort Worth				Suburbs			
	Firms		Vol-ume		Firms		Vol-ume		Firms		Vol-ume		Firms		Vol-ume		Firms		Vol-ume	
	Total	Large	1/	1/	Total	Large	1/	1/	Total	Large	1/	1/	Total	Large	1/	1/	Total	Large	1/	1/
Receiver .....	7	4	2/	1	-	-	2/	1	-	2/	1	-	2/	-	2/	-	-	-	-	-
Receiver-jobber....	3	1	2/	-	-	-	-	1	-	2/	-	-	-	-	-	-	-	-	-	-
Service wholesaler, wholesale grocer:	4	3	4,735	-	-	-	-	3	3	5,530	-	-	-	-	-	-	-	-	-	-
Jobber, jobber(delivery):	2	-	2/	-	-	-	-	2	-	2/	-	-	-	-	2/	-	-	-	2/	-
Secondary whole-saler, truck jobber .....	-	-	-	-	-	-	-	-	-	-	-	-	7	-	336	-	-	-	-	-
Purveyor .....	-	-	-	-	-	-	-	1	-	2/	7	-	2/	-	2/	-	-	-	-	-
Receiver-purveyor:	3	1	2/	-	-	-	-	1	-	2/	-	-	-	-	-	-	-	-	-	-
Prepackager, repacker.....	8	1	2,049	1	-	-	2/	3	-	2/	1	-	2/	-	2/	-	-	-	-	-
Merchant trucker...	-	-	-	2	-	-	2/	3	-	2/	-	-	-	-	-	-	1	-	2/	-
Selling broker....	5	3	2/	1	-	-	2/	5	4	4,550	1	-	2/	-	2/	-	-	-	-	-
Distributor, carlot distri-butor .....	2	2	2/	-	-	-	-	-	-	-	-	-	1	-	2/	-	-	-	-	-
Sales agency.....	2	2	2/	2	1	2/	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All wholesalers:	36	17	27,121	7	1	1,511	20	7	11,002	18	-	1,671	3	-	165	-	-	-	-	-
Chain.....	1	1	2/	3	3	7,699	1	1	2/	2	2	2/	-	-	-	-	-	-	-	-
Grand total.....	37	18	2/	10	4	9,210	21	8	2/	20	2	2/	3	-	165	-	-	-	-	-

1/ Large firms are those selling 500 or more carlots.

2/ Withheld to avoid disclosure of individual operations.

Table 2.--Number of firms by size and type, and volume handled, by type of firm,  
Dallas-Fort Worth wholesale produce market, 1958

Type of firm	All firms			Distribution of firms by size 1/			Percentage of volume handled by--		
	: : :			: : :			: : :		
	Num- ber	Quantity: of total market	Percentage of total market	Small	Medium	Large	Small firms	Medium firms	Large firms
	Carlots	Percent	No.	No.	No.	No.	Percent	Percent	Percent
Receiver .....	10	5,182	10	2	3	4	4	23	73
Receiver-jobber.....	4	1,560	3	2	1	1	2/	2/	2/
Service wholesaler .....	6}	10,265	19	{	-	6	-	-	100
Wholesale grocer .....	1}			{	-	-	100	-	-
Jobber .....	1			1	-	-	100	-	-
Jobber (delivery) .....	4}	317	1	{	-	-	100	-	-
Secondary wholesaler .....	1}			{	-	-	100	-	-
Truck jobber .....	7	336	1	7	-	-	100	-	-
Purveyor .....	8	88	3/	8	-	-	100	-	-
Receiver-purveyor .....	4	1,650	3	-	3	1	-	2/	2/
Prepackager, repacker.....	13	3,035	6	8	4	1	29	2/	2/
Merchant trucker .....	6	251	3/	6	-	-	100	-	-
All wholesale handlers ....	65	22,684	43	41	11	13	2/	2/	74
Selling broker .....	12	10,625	20	1	4	7	2/	2/	88
Distributor .....	1}	2,790	5	{	-	-	100	-	-
Carlott distributor .....	2}			{	-	2	-	-	100
Cooperative sales agency ....	2}	5,371	10	{	-	1	1	-	99
Importers' sales agency .....	2}			{	-	2	-	-	100
All brokers and agencies ..	19	18,786	35	3	4	12	2/	2/	92
All wholesalers .....	84	41,470	78	44	15	25	6	12	82
National chain .....	3	8,945	17	-	-	3	-	-	100
Regional chain .....	1}			{	-	1	-	-	100
Local chain with warehouse ..	2}	2,726	5	{	-	2	-	-	100
Local chain without warehouse	1}			{	-	1	-	-	100
All chains .....	7	11,671	22	-	-	7	-	-	100
Grand total 4/ .....	91	53,141	100	44	15	32	5	9	86

1/ Small firms handle less than 200 carlots per year, medium firms 200-499, and large firms 500 or more.  
2/ Withheld to avoid disclosure of individual operations. 3/ Less than 0.5 percent. 4/ Total sales of all firms, including resales among wholesalers.

Table 3.--Degree of commodity specialization of wholesalers, by type of firm,  
Dallas - Fort Worth wholesale produce market, 1958  
(Percent of each type of firm)

Type of firm	Firms handling complete line of produce			Firms specializing in--		
	No specialization	Some specialization	Plus other types of food	Several commodity classes	One class of commodities	A single commodity
	Percent	Percent	Percent	Percent	Percent	Percent
Receiver.....	40	--	--	--	50	10
Receiver-Jobber.....	75	--	--	--	--	25
Service wholesaler, wholesale grocer.....	43	--	57	--	--	--
Jobber.....	--	--	--	--	--	--
Jobber (delivery), secondary wholesaler.....	50	--	--	33	--	17
Truck jobber.....	100	--	--	--	--	--
Purveyor receiver-purveyor.....	100	--	--	--	--	--
Prepackager, repacker.....	--	--	--	23	15	54
Merchant trucker.....	--	--	--	33	33	17
Selling broker.....	33	17	--	42	--	--
Distributor, carlot distributor.....	--	--	33	--	--	67
Sales agency.....	--	--	--	--	50	50
All wholesalers.....	43	2	6	14	13	18
						4



The firms which they own or control, including several cases where one firm owns or controls more than one other firm, are as follows:

Outside this market:

- 1 packinghouse
- 3 farms
- 1 broker

In the Dallas-Fort Worth market:

- 3 prepackagers or repackers
- 1 jobber
- 1 purveyor
- 1 merchant trucker
- 1 packager of in-shell nuts
- 1 receiver
- 2 potato prepeelers

In addition, 8 wholesalers are units of multi-unit firms which operate in several markets. These include:

- 1 receiver
- 2 service wholesalers
- 1 selling broker
- 4 sales agencies

Another service wholesaler is owned by a firm outside the produce business.

### Marketing Channels

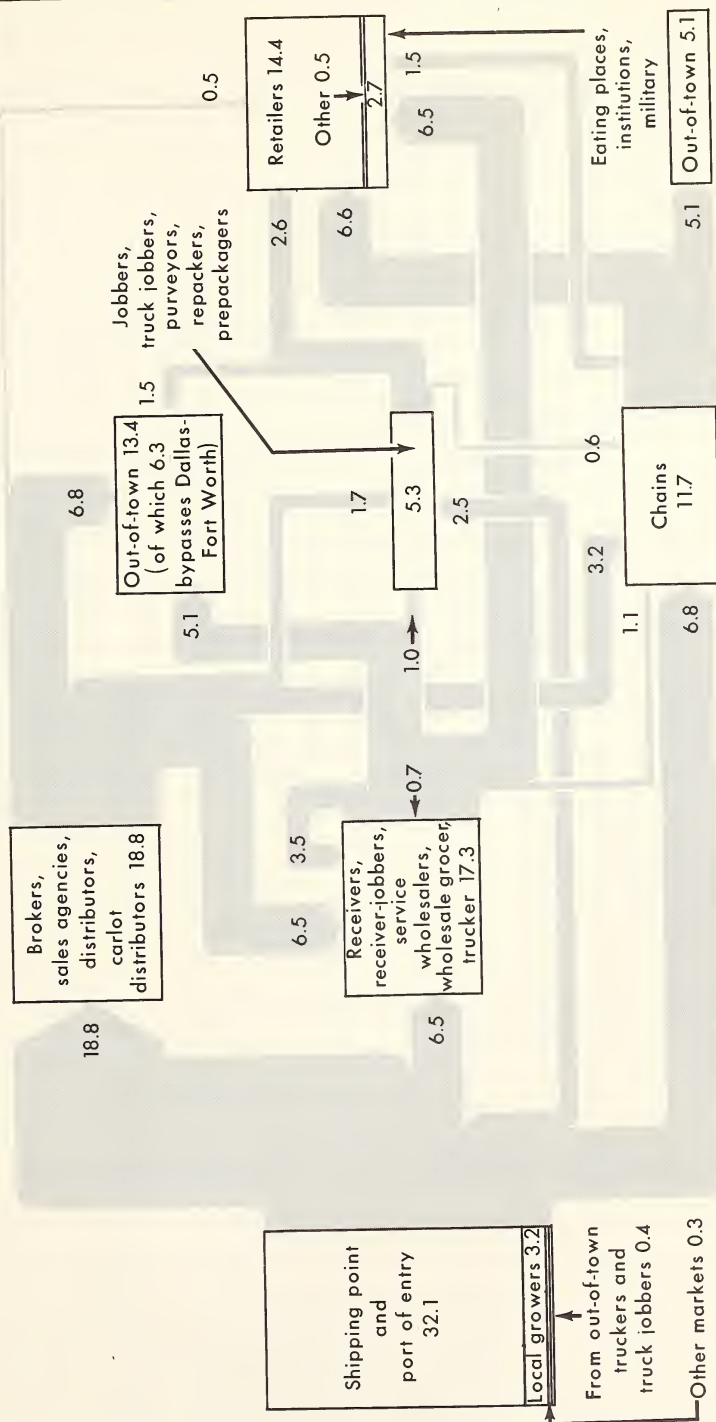
The total supply of fresh fruits and vegetables entering the Dallas-Fort Worth market in 1958 was 29,700 carlots (fig. 1 and table 4). Another 6,300 carlots were sold by firms in the market to out-of-town customers, but bypassed the market and were delivered directly to buyers. Brokers, distributors, and carlot distributors accounted for one-third of the supplies entering the market, plus 3,200 carlots which bypassed Dallas-Fort Worth. The chains received 23 percent of the supply directly from shipping points and from local growers and bought another 16 percent from local wholesalers. Service wholesalers, receiver-jobbers, and receivers accounted for another 21 percent of the supply. Local growers supplied 11 percent of the needs of the market, with most of the remainder coming directly from shipping point or port of entry.

Sales among wholesalers in the market were 13,700 of the 29,700 carlots or 47 percent of the market supply. (table 5). Brokers, distributors, and carlot distributors accounted for about one-half of these sales and receivers, receiver-jobbers, and service wholesalers most of the remainder. The most important group of buyers was the service wholesalers and receiver-jobbers, who bought about 60 percent of the total. Most of the remainder went to receivers, prepackagers, and repackers.

Wholesalers sold 4,900 carlots to Dallas-Fort Worth chains, 6,600 carlots to retail stores and peddlers, and 2,700 carlots to eating places, institutions, and the military (table 6). Most sales to chains were made by brokers, distributors, and sales agencies. Service wholesalers and receiver-jobbers were the biggest sellers to retail stores. Purveyors and receiver-purveyors sold the largest quantity to institutional outlets.

# MAJOR MARKETING CHANNELS, DALLAS-FORT WORTH WHOLESALE PRODUCE MARKET, 1958

(THOUSANDS OF CARLOTS)



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1006 - 62 (4) ECONOMIC RESEARCH SERVICE

Figure 1

Table 4.--Purchases, by source of supply and class of buyer,  
Dallas - Fort Worth wholesale produce market, 1958

Class of buyer	Purchases from outside this market							Purchases from		Purchases		Total purchases
	Direct from shipping point or port of entry	From other terminal markets	From local growers	From out-of-town truckers and jobbers	From out-of-town truckers and jobbers	From out-of-town truckers and jobbers	From out-of-town truckers and jobbers	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker, carlot distributor, distributor.....	13.4	--	--	--	--	1/13.4	2/					1/13.4
Sales agency.....	5.4	--	--	--	--	1/ 5.4	--					1/ 5.4
Trucker.....	.1	0.1	2/	--	--	.2	2/					.3
Receiver.....	2.9	--	0.1	--	--	3.0	2.2					5.2
Receiver-jobber, service wholesaler, wholesale grocer.....	2.8	--	.4	--	--	3.3	8.6					11.8
Jobber, jobber (delivery), secondary wholesaler.....	.1	--	2/	--	--	.1	.2					.3
Truck jobber.....	--	--	2/	--	--	2/	.3					.3
Purveyor, receiver-purveyor.....	.8	--	2/	--	--	.8	.9					1.7
Repacker, prepacker.....	1.5	--	.1	--	--	1.6	1.4					3.0
All wholesalers.....	27.0	.1	.7	--	--	1/27.8	13.7					1/41.5
Chain.....	4.7	2/	2.1	--	--	6.8	4.9					11.7
Retailer, processor, eating place.....	.4	.2	.5	.4	.4	1.5	16.1					17.6
Grand total.....	32.1	.3	3.2	.4	.4	1/36.0	34.7					1/70.8

1/ Includes 6,300 carlots which bypassed the Dallas-Fort Worth market. This leaves 29,700 carlots entering the Dallas-Fort Worth market. See table 7.

2/ Less than 50 carlots. Figures may not add exactly to the total because of rounding.

Table 5.--Wholesalers' sales to other Dallas-Fort Worth wholesalers, by class of firm,  
Dallas-Fort Worth wholesale produce market, 1958

Class of seller	Type of buyer									
	Broker,	distri-	Receiv-	Receiver-	Jobber,	Jobber,	Truck	Purveyor,	Repacker,	Total
	buter,	buter,	buter,	buter,	buter,	buter,	buter,	buter,	buter,	buter,
	trucker,	trucker,	trucker,	trucker,	trucker,	trucker,	trucker,	trucker,	trucker,	trucker,
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	carlots	carlots	carlots	carlots	carlots	carlots	carlots	carlots	carlots	carlots
Broker, carlot distributor,										
distributor.....	0.1	1.6	3.9		1/		--	0.4	1.2	7.2
Sales agency.....	--	.3	.7		1/		--	.1	1/	1.2
Trucker.....	--	1/	.1		1/		--	.1	--	.2
Receiver.....	--	.3	.6		0.2		0.3	.2	.2	1.7
Receiver-jobber, service										
wholesaler, wholesale grocer:										
Jobber, jobber (delivery),	--	--	2.6		--		1/	1/	--	2.6
secondary wholesaler.....	--	--	--		1/		1/	--	--	1/
Truck jobber.....	--	--	--		--		--	--	--	--
Purveyor, receiver-purveyor...	--	--	--		--		--	--	--	--
Repacker, repackager.....	--	--	.7		--		1/	.1	--	.8
Total .....	.1	2.2	8.6		.2		.3	.9	1.4	13.7

1/ Less than 50 carlots.

Figures may not add exactly to the total because of rounding.



Table 6.--Wholesalers' sales to retail outlets, by class of firm, Dallas-Fort Worth wholesale produce market, 1958

Class of seller	Type of retail outlet					Total
	Chain	Retail store, peddler	Processor, consumer	Eating place, institution, military		
	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker, carlot distributor, distributor.....	2.1	0.3	0.2	--	--	2.5
Sales agency.....	1.1	--	--	--	--	1.1
Trucker.....	<u>1</u> / <u>8</u>	<u>1</u> / <u>1</u>	--	--	--	<u>1</u> / <u>1</u>
Receiver.....	.8	.1	--	0.1	0.1	1.1
Receiver-jobber, service wholesaler, wholesale grocer.....	.3	5.0	<u>1</u> / <u>1</u>	1.1	1.1	6.5
Jobber						
jobber (delivery), secondary wholesaler.....	.1	.2	--	<u>1</u> / <u>1</u>	--	.2
Truck jobber.....	--	.3	--	--	--	.3
Purveyor, receiver-purveyor.....	<u>1</u> / <u>1</u>	.3	--	1.3	1.3	1.7
Repacker, prepacker.....	.5	.4	<u>1</u> / <u>1</u>	.1	.1	1.0
Total.....	4.9	6.6	.2	2.7	2.7	14.4

1/1 Less than 50 carlots.  
 Figures may not add exactly to the total because of rounding.

Dallas-Fort Worth wholesalers sold 13,400 carlots to out-of-town customers, including 6,300 carlots which bypassed the market (table 7). Thus, about one-fourth of the volume which entered the market eventually went to out-of-town buyers, while a quantity equal to 21 percent of the market supply bypassed Dallas-Fort Worth and was delivered directly to customers. The bypass sales were all made by brokers, distributors, carlot distributors, and sales agencies. Most of the other sales were made by receivers, receiver-jobbers, and service wholesalers.

Two-thirds of the out-of-town sales went to wholesalers in other markets, including truck jobbers from smaller towns and cities outside the metropolitan area. Another 20 percent went to out-of-town chains, with the remainder to retailers, institutional outlets, and processors.

### Buying Methods

Dallas-Fort Worth wholesale handlers bought about two-thirds of the produce which they purchased directly from shipping point by telephone or by wire from the shipper (table 8). Another 19 percent was bought through shipping point buying brokers and 10 percent by the firm's own buyer located at shipping point. Each type of firm except the receiver-purveyors bought more than half of its produce by telephone order. The receiver-purveyors relied heavily on buying brokers located at shipping point, as did receiver-jobbers to a somewhat lesser extent.

Most purchases direct from shipping point are made either f.o.b. or f.o.b. acceptance. Eleven firms making 38 percent of the direct purchases said that most of their purchases were made f.o.b.; 5 firms making 30 percent of the direct purchases bought most of their merchandise f.o.b. acceptance. One receiver bought most of his cash track and 2 firms said that most of their purchases were made on a delivered basis. Another 6 firms said that they bought somewhat smaller quantities on a delivered basis than they did by other methods.

### Functions and Services

Many of the functions performed by produce wholesalers are implicit in the definition of each type of firm (see Appendix). Others are provided by some firms and not by others.

Unloading of rail cars is done almost entirely by the employees of the produce firm. One firm sometimes employs stevedores to unload. Trucks are almost universally unloaded by the driver (or laborers whom he employs) to the tailgate and by the firm's own employees from there into the store.

Most rail cars are unloaded at the firm's own siding. Ten firms unloaded about 750 carlots on team tracks and hauled the merchandise to their stores prior to its sale. Most of this volume was accounted for by one large service wholesaler, but 2 chains, 2 receiver-purveyors, 3 prepackagers or repackers, 1 receiver and 1 receiver-jobber handled smaller volumes. Almost all of it was hauled in the firm's own trucks.

Almost all of the produce sold by wholesale handlers went through their stores. About 3 percent of the volume of receivers was sold directly out of the rail car or truck. Truck jobbers do not have stores and all sales were made from the truck. Seven purveyors operated in the same manner as truck jobbers.

Typically Dallas-Fort Worth wholesalers sell to a group of regular customers. The proportion of "in-and-out trade" is small for most wholesalers, as indicated

Table 7.--Wholesalers' out-of-town sales, by class of firm, Dallas-Fort Worth wholesale produce market, 1958

Class of seller	Type of out-of-town buyer					Volume	
						bypassing	passing
	Chain; voluntary, cooperative; group	Retailer: institutional; military, processor	Eating place, institution, military, processor	Total: out-of-town sales	1,000 carlots	the market	through the market
	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker, carlot distributor, distributor...	3.6	--	0.1	3.7	0.5	--	--
Sales agency.....	2.2	1.0	--	3.1	3.1	--	--
Trucker.....	1.6	1.0	--	2.4	1.0	--	1.0
Receiver.....	1.6	1.0	--	2.4	2.4	--	2.4
Receiver-jobber, service wholesaler, wholesale grocer.....	.5	.4	.8	2.7	2.7	--	2.7
Jobber, jobber (delivery), secondary wholesaler...	1.0	1.0	--	2.0	2.0	--	2.0
Truck jobber.....	--	1.0	--	1.0	1.0	--	1.0
Purveyor, receiver-purveyor.....	.1	--	--	.1	.1	--	.1
Repacker, prepacker.....	.8	.4	--	1.3	1.3	--	1.3
Total.....	8.8	2.6	.9	13.4	6.3	7.1	7.1

1/ Less than 50 carlots.  
 Figures may not add exactly to the total because of differences in rounding.

Table 8.---Percentage distribution of shipping point purchases made by each type of firm, by method of purchase, Dallas-Fort Worth wholesale produce market, 1958

Type of firm	Direct		Through		Through		Through		From		By		Total
	by phone	or wire	shipping	point	shipping	point	own	salaries	shipping	point	personal	contact	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Receiver.....	67	--	--	6	27	--	--	--	--	--	--	--	100
Receiver-jobber.....	53	47	--	--	--	--	--	--	--	--	--	--	100
Service wholesaler.....	70	30	--	--	--	--	--	--	--	--	--	--	100
Receiver-purveyor.....	20	80	--	--	--	--	--	--	--	--	3	--	100
Prepackager, repacker....	97	--	--	--	--	--	--	--	--	14	19	--	100
Merchant trucker.....	57	10	--	--	--	--	--	--	--	--	--	--	100
Wholesale handlers.....	68	19	2	10	1	--	--	--	--	--	--	--	100

1/ Less than 0.5 percent.



by the following tabulation:

<u>Type of firm</u>	<u>Percent of sales to regular customers</u>
Receiver	99
Receiver-jobber	60
Service wholesaler, wholesale grocer	89
Jobber, jobber (delivery), secondary wholesaler	95
Truck jobber	100
Purveyor, receiver-purveyor	99
Prepackager, repacker	89
Merchant trucker	78
 Selling broker	 96
Distributor, carlot distributor	100
Sales agency	100

Ninety percent of the wholesale handlers in the Dallas-Fort Worth market provide delivery service (table 9). All the firms of 5 types of handlers offer this service, as do 70 percent of the receivers, and about 80 percent of the prepackagers, repackers, and truckers. In total, these firms deliver 85 percent of the sales of all wholesale handlers, all of it in their own trucks.

About 5,700 carlots of produce were prepackaged or repacked by 29 firms in 1958 (table 10). Most of the volume was put up by prepackagers, repackers, and chains. The majority of firms handled only one item, many of them specializing in prepackaging potatoes or repacking tomatoes. Two prepackagers and 1 chain put up 5 or more items each.

In addition, 2 wholesalers repack cabbage from bulk into 50-pound sacks. Quite a few Dallas-Fort Worth wholesalers offer various merchandising services to their customers, the operators of retail stores. All service wholesalers and truck jobbers and one large receiver suggest selling prices to retailers. Two-thirds of the service wholesalers assist in training produce department personnel for retail stores. All service wholesalers and truck jobbers, one jobber (delivery), and two receivers give assistance with displays, advertising, and other merchandising activities. One helps to pay for advertising.

Other merchandising services provided include:

Guarantee prices for advertised specials	-9 firms
Suggest prices for specials	-3
Price concessions for specials	-3
Consultant on best buys	-1
Dealer service work	-1

Most wholesalers offer 7-day credit to their noninstitutional customers (table 11). Several sell for cash only, and a few have terms varying from 5 to 30 days.

Only one wholesalers in Dallas-Fort Worth makes any loans to growers to finance production, and he does it only occasionally.

Table 9.--Extent of delivery service by Dallas-Fort Worth wholesale produce handlers, 1958 1/

Type of firm	Percentage of : Volume delivered as percentage	
	firms providing : of sales of --	
	delivery : All firms : Firms making	
	service : of this : some	
	type : deliveries	
	Percent	Percent
Receiver.....	70	67
Receiver-jobber.....	100	61
Service wholesaler, wholesale grocer...	100	99
Jobber (delivery), secondary wholesaler:	100	82
Truck jobber.....	100	100
Purveyor, receiver purveyor.....	100	98
Prepackager, repacker.....	77	77
Merchant trucker.....	83	89
All wholesale handlers.....	90	85

1/ All deliveries were made in trucks owned by the firms.

Table 10.--Volume and number of items prepackaged or repacked, by type of firm, Dallas-Fort Worth wholesale produce market, 1958

Type of firm	Firms packaging or repacking --						Total	Volume : prepack- aged or repacked
	One : item	Two : items	Three : items	Four : items	Five or : more items			
	Firms	Firms	Firms	Firms	Firms	Firms	Carlots	
Receiver.....	5	2	-	-	-	7	<u>1/</u>	
Receiver-jobber, : service wholesaler	4	2	1	-	-	7	482	
Prepackager, re- : packer.....	8	1	1	1	2	13	2,617	
Chain.....	1	-	-	-	1	2	<u>1/</u>	
Total.....	18	5	2	1	3	29	5,717	

1/ Withheld to avoid disclosure of individual operations.

Table 11.--Number of firms in the Dallas-Fort Worth wholesale produce market offering specified credit terms, by type of firm, 1958

Type of firm	Number of days credit --							
	Cash	5	7	10	14	15	30	Open
	Firms	Firms	Firms	Firms	Firms	Firms	Firms	Firms
Receiver.....	1	-	7	1	-	1	-	-
Receiver-jobber.....	1	-	3	-	-	-	-	-
Service wholesaler, : wholesale grocer.....	1	-	5	1	-	-	-	-
Jobber, : jobber (delivery), : secondary wholesaler...	2	-	4	-	-	-	-	-
Truck jobber.....	-	-	7	-	-	-	-	-
Purveyor, : receiver-purveyor.....	-	-	2	-	-	1	-	-
Prepackager, : repacker.....	-	-	10	-	-	1	1	1
Merchant trucker.....	3	1	1	-	1	-	-	-
Total.....	8	1	39	2	1	3	1	1

## Margins

Target margins of all wholesale handlers in Dallas-Fort Worth averaged 15.7 percent of the sales price (table 12). The target margin is the gross margin which the firm aims to achieve -- not necessarily that which it does, in fact, achieve. Firms providing more services usually had higher target margins. The margins of pre-packagers and repackers were the highest of any type of wholesaler, since their costs for labor, packaging materials, and shrinkage are higher. Those of service wholesalers and jobbers (delivery) are also high, in line with their added services. Purveyors' margins are somewhat lower than are those in other markets because only one purveyor has a store, the other 7 operate like truck jobbers. The target margins of chains averaged 34 percent. These, of course, include both wholesale and retail functions.

Two merchant truckers could not quote target margin. They said their returns were determined by supply and demand. A receiver said that he charged what the market will bear.

Most brokers in Dallas-Fort Worth charge on the basis of a charge per package, rather than a percentage. The average rate for brokers who replied was 10.9 cents per package. The rates commonly vary with the commodity. Many charge 7.5 cents per box for apples and 10 cents per sack for potatoes and other commodities.

Firms in the Dallas-Fort Worth produce market employed 1,033 persons in 1958, including proprietors and partners (table 13). This does not include the employees of 2 chains and the 4 sales agencies, for whom this information was not available. In general, the number of employees is related to the volume sold and the services rendered by the firm.

## The Structure of the Retail Market

There were 2,369 retail food stores in the Dallas-Fort Worth market in 1958, with total sales of \$489 million in that year. Grocery stores, including delicatessens, numbered 2,068 with sales of \$475 million. There were 57 specialty fruit and vegetable stores with sales of \$919,000, 52 meat markets, and 92 other specialty food stores.

Chains with 11 or more stores each operated 397 stores with sales of \$257 million, 53 percent of all food store sales. Those with 4-10 stores each had 35 stores and those with 2 or 3 stores each had 87 stores. These two groups made 11 percent of all food store sales. Single-unit operators had 1,850 stores and made 36 percent of total sales.

There were 9 supermarket chains with 11 or more stores apiece, including 3 national chains, 3 regional chains (only one of which had a warehouse in the market), and 3 local chains. These 9 chains had 223 stores in the metropolitan area and served another 146 stores outside the market from Dallas or Fort Worth warehouses. In addition to the supermarket chains, 2 chains of bantam or drive-in markets operated 164 stores in the metropolitan area.

Table 12.--Target margins and brokerage rates, by type of firm,  
Dallas-Fort Worth wholesale produce market, 1958

Type of firm	Average target margin	Average brokerage rate	Firms quoting a target margin	Firms quoting brokerage rate
	Cents per package	Percent of sales price	Cents per package	Percent of each type
Receiver.....	40.7	14.7	--	70
Receiver-jobber.....	--	11.9	--	75
Service wholesaler....	--	17.8	--	83
Jobber (delivery), secondary wholesaler	50.0	17.2	--	100
Purveyor.....	--	10.6	--	100
Receiver-purveyor....	--	16.2	--	100
Prepackager, repacker:	--	20.3	--	31
Selling broker.....	--	--	10.9	--
All wholesalers <u>1/</u>	48.5	15.7	10.9	46
Chain.....	--	34.0	--	83

1/ Including a few of types not listed separately.

### Twenty Years of Change in the Market

#### Number and Type of Firms

The number of firms listed in the Red Book in the Dallas-Fort Worth market has increased steadily for the past 20 years, in contrast to the decline in numbers for the country as a whole. This is undoubtedly a response to the rapid increase in population in the area. Sales of retail food stores in the Dallas-Fort Worth area -- adjusted for changes in food prices -- more than tripled between 1939 and 1958. During the same period, the number of wholesalers increased from 67 to 81 (table 14). Most of the increase occurred in Dallas, where the number of wholesalers rose from 40 in 1939 to 52 in 1958.

The increase has come about mostly in receivers and receiver-jobbers (including service wholesalers), jobbers, repackers, and prepackagers. The number of brokers has declined by a third. Four chains were listed in 1939, 3 in 1948, and 6 in 1958.

The classifications in table 14 are not necessarily the same as those in the remainder of this study. They are based on the first listing in the trade directory. For most firms, several different types are listed -- often as many as five or six types -- indicating the variety of functions and services performed by many firms. Throughout the remainder of this study, the firms are classified on the basis of the information obtained in the survey and the definitions found in the Appendix.

#### Entrance and Exit of Wholesalers

The case of entrance and exit into the produce wholesaling business is well illustrated by a comparison of the listings in the 3 years shown in table 14. Only



Table 13.--Number of employees, by type and size of firm,  
Dallas-Fort Worth wholesale produce market, 1958

Type of firm	All sizes of firms	Size of firm, by 1958 sales volume --			
		Less	200-499	500	
		than 200	carlots	or more	
		carlots	carlots	carlots	
	Firms	Employees	Employees	Employees	Employees
Receiver.....	10	125	13	33	79
Receiver-jobber.....	4	40	7	8	25
Service wholesaler, wholesale grocer.....	7	385	2	--	383
Jobber, jobber (delivery), secondary wholesaler.....	6	19	19	--	--
Truck jobber.....	7	14	14	--	--
Purveyor.....	8	9	9	--	--
Receiver-purveyor.....	4	58		36	22
Merchant trucker.....	6	13	13	--	--
Prepackager, repacker.....	13	160	50	70	40
All wholesale hand- lers.....	65	823	127	147	549
Selling broker.....	12	28	1	5	22
Distributor, carlot distributor.....	3	9	2	--	7
All brokers and agen- cies.....	15	37	3	5	29
Chain.....	5	173	--	--	173
Grand total.....	85	1,033	130	152	751

32 of the firms were listed in all 3 years. Of the 76 firms in business in 1939, 28 went out of business between 1939 and 1948 and another 16 between 1948 and 1958. Another 33 firms came into the business between 1939 and 1948, but 17 of these went out of business before 1958. An additional 44 went into business between 1948 and 1958.

About a third of the wholesalers interviewed had been in business less than 10 years and over half less than 20 years (table 15). Only 17 percent had been in business as long as 30 years. The oldest types of firms were the service wholesalers and wholesale grocer with a medium age of 31 years. The youngest were the purveyors, most of which were organized during the past 4 years.

Table 14.--Number of firms, by type,  
Dallas-Fort Worth wholesale produce market, 1939, 1948, 1958

Type of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber, commission merchant.....	28	40	34
Jobber.....	2	3	5
Repacker, prepacker.....	--	2	8
Truck jobber.....	9	10	7
Trucker.....	--	--	2
Shipper, packer.....	1	1	2
Wholesale handlers.....	40	56	58
Broker.....	21	15	14
Buying broker, buyer.....	--	--	2
Distributor; sales agency.....	6	4	7
Broker and agencies.....	27	19	23
All wholesalers.....	67	75	81
Chain.....	4	3	6
Wholesale grocer.....	5	3	5
Grand total.....	76	81	92

Packer Red Book, 1939 and 1948; Fresh Year Book Issue. The Packer, 1958.

### Growth and Decline

The changes in sales of the different types of wholesalers are indicated in table 16 for firms which had been in business for 10 years or more in 1958. In general, more wholesalers have experienced declines in sales than increases. About 20 percent of the firms changed their sales less than 10 percent.

### Changes in Trade Channels

Dallas-Fort Worth wholesalers have made relatively few changes in their sources of supply during the past 10 years. Two firms changed their type of business and their sources altered accordingly. One is buying less from local wholesalers and more from brokers in the market. Another is buying less on the local market and more direct from shipping point. A third now buys less from local brokers and a larger quantity direct from shipping point. One chain is buying less direct from shipping point and more from local brokers.

Changes in type of outlets have been more frequent than changes in sources. Four firms are selling more to chains and 7 less; 2 firms are selling more to

Table 15.--Percentage of firms in business for specified periods, by type of firm,  
Dallas-Fort Worth wholesale produce market, 1958

Type of firm	1-4 years	5-9 years	10-19 years	20-29 years	30-39 years	40-49 years	50-59 years	Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Receiver.....	--	10	20	60	10	--	--	100
Receiver-jobber.....	--	--	50	--	--	25	25	100
Service wholesaler, wholesale grocer.....	--	14	14	14	44	14	--	100
Jobber, jobber (delivery) secondary wholesaler....	32	17	17	17	17	--	--	100
Truck jobber.....	--	--	--	100	--	--	--	100
Purveyor.....	87	13	--	--	--	--	--	100
Receiver-purveyor.....	--	--	25	25	25	25	--	100
Prepackager, repacker.....	15	23	47	15	--	--	--	100
Merchant trucker.....	--	17	50	33	--	--	--	100
Selling broker.....	8	25	17	17	17	16	--	100
Distributor, carlot distributor.....	33	34	--	33	--	--	--	100
All firms.....	16	15	22	30	10	6	1	100

Table 16.--Change in sales between 1948 and 1958,  
Dallas-Fort Worth wholesale produce firms in business in 1958

Type of firm	Changes in sales --			All firms
	Increased	Changed	Decreased	
	10 percent or more	less than 10 percent	10 percent or more	
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Receiver.....	57	--	43	100
Receiver-jobber....	--	100	--	100
Service wholesaler..	25	50	25	100
Jobber,				
jobber (delivery):	--	67	33	100
Truck jobber.....	--	--	100	100
Receiver-purveyor..	50	--	50	100
Prepackager, re-				
packer.....	50	17	33	100
Merchant trucker....	25	25	50	100
All wholesale				
handlers.....	29	24	47	100
Selling broker.....	28	14	58	100
All wholesalers <u>1/</u>	30	21	49	100
Chain.....	100	--	--	100

1/ Including 2 types not shown separately to avoid disclosure of individual operations.

independent grocery stores and 9 less. A trucker has increased sales to fruit stands. Two firms report greater sales to institutional outlets and 2 to local jobbers, 2 to truck jobbers, and 1 to truckers. Two firms are selling less to local jobbers than they did 10 years ago.

#### Changes in Services

About one-sixth of the wholesalers have made changes in the services which they have provided since 1948. More delivery service is being provided by 4 firms, while 2 receivers are delivering less. One firm is doing more prepackaging. A receiver and a jobber (delivery) have changed from the truck jobbing business and have made the necessary changes in the services which they perform. Another firm went into service wholesaling during the period. Two more service wholesalers have added additional services of all kinds. One receiver used to suggest retail prices but does not do so any longer.

Credit terms have changed only a little during the past decade. About 10 percent of the firms replying have shortened the period to 7 days. The others have made no changes.



## Outlook of Wholesalers

Over half of the wholesalers in the Dallas-Fort Worth market feel that the outlook for their type of business is good. One-fifth felt that the outlook was either fair or bad. The remainder would not venture an opinion. All of the truck jobbers, two-thirds of the receivers, three-fourths of the receiver-jobbers, 80 percent of the service wholesalers, and 60 percent of the brokers felt the outlook was good.

About 20 percent of the wholesalers have plans for the future. These include:

- Go out of business - 8 firms (2 are already out of business)
- Change to a different type of business - 3 firms
- Grow part of supplies - 1 firm
- Increase institutional sales - 1 firm
- Provide more merchandising assistance to customers - 1 firm
- Increase sales of split cars - 1 broker
- Cut services and costs - 1 firm
- Consolidate several businesses owned - 1 firm

## HOUSTON

### Market Areas

The principal market area in Houston is the Houston Produce Terminal built in the late 1940's in accordance with latest design principles. Half of the wholesalers doing nearly 70 percent of the wholesale business are located there (table 17).

A secondary market area known as the Airline Market is located on the north side of the city. The 14 wholesalers operating there make 9 percent of the sales of all wholesalers in the market. Only one of the firms on the Airline Market is medium sized; all the others are small.

Another 14 wholesalers are found in scattered locations throughout the city. These include 2 large receivers, 2 brokers, and a sales agency. The total volume of these 14 firms was 4,058 carlots in 1958.

### The Structure of the Market

The Houston wholesale produce market was made up of 63 firms of 18 types in 1958 (table 18). Brokers and sales agencies accounted for a third of total sales (including resales among wholesalers and sales to chains). The 4 chains and 2 voluntary groups sold 30 percent of the total. Most of the business of wholesale handlers was done by receivers, commission merchants, receiver-jobbers, and service wholesalers.

Large firms -- those selling more than 500 carlots each -- handled 60 percent of the business of wholesalers and almost all of that of chains and voluntary groups. The 28 small firms sold 7 percent of the total. The remaining 21 percent of the volume was sold by 19 medium-sized firms. The large wholesalers were all receivers, receiver-jobbers, brokers, and cooperative sales agencies.

Forty-six percent of the wholesale handlers handle a complete line of produce (table 19). These 22 firms sell 58 percent of the volume of all wholesale handlers. A third of the receivers and commission merchants and 70 percent of the receiver-

Table 17.--Number of firms and volume handled, by market area and type of firm,  
Houston wholesale produce market, 1958

Type of firm	Produce Terminal			Airline Market			Other areas		
	Firms			Firms			Firms		
	Total	Large 1/	Volume	Total	Large 1/	Volume	Total	Large 1/	Volume
	No.	No.	Carlots	No.	No.	Carlots	No.	No.	Carlots
Receiver commission merchant....	6	1	1,506	1	--	2/	2	2	2/
Receiver-jobber, service wholesaler....	3	1	1,517	5	--	2/	2	--	2/
Jobber.....	--	--	--	4	--	148	--	--	--
Jobber (delivery).....	4	--	2/	1	--	2/	1	--	2/
Truck jobber, merchant trucker.....	--	--	--	1	--	2/	2	--	2/
Purveyor, receiver-purveyor....	3	--	2/	1	--	2/	2	--	2/
Prepackager, repacker.....	5	--	955	1	--	2/	2	--	2/
Selling broker, sales agency.....	8	6	7,113	--	--	--	3	1	1,167
All wholesalers.....	29	8	12,202	14	--	1,521	14	3	4,058
Chain.....	1	1	2/	--	--	--	5	4	2/
Grand total.....	30	9	2/	14	--	1,521	19	7	2/

1/ "Large" firms are those selling 500 or more carlots.

2/ Withheld to avoid disclosure of individual operations.

Table 18.--Number of firms by size and type, and volume handled, by type of firm, Houston wholesale produce market, 1958

Type of firm	All firms			Distribution of firms by size			Percentage of volume handled by		
	No.	Volume handled		Small	Medium	Large	Small firms	Medium firms	Large firms
		Quantity	Percentage of total market						
Receiver.....	8	4,016	16	1	4	3	3	28	69
Commission merchant.....	1			{1	-	-	100	-	-
Receiver-jobber.....	8	2,370	9	{5	2	1	12	2	53
Service wholesaler.....	2			{-	-	-	-	83	-
Jobber.....	4	148	1	4	-	-	100	-	-
Jobber (delivery).....	6	527	2	5	1	-	2/17	83	-
Merchant trucker.....	2	422	2	{1	1	-	100	-	-
Truck jobber.....	1			{1	-	-	100	-	-
Purveyor.....	2	900	3	{2	-	-	100	-	-
Receiver-purveyor.....	4			{1	3	-	21	79	-
Prepackager, repacker.....	8	1,118	4	5	3	-	29	71	-
All wholesale handlers.....	46	9,501	37	26	14	4	18	43	39
Selling broker.....	9			-	3	6	-	15	85
Cooperative sales agency.....	1	8,280	33	{-	-	1	-	-	100
Importers' sales agency.....	1			{-	1	-	-	100	-
All wholesalers.....	57	17,781	70	26	18	11	10	30	60
National chain.....	2			{-	-	2	-	-	100
Local chain with warehouse.....	1	6,071	24	{-	-	1	-	-	100
Local chain without warehouse.....	1			{1	-	-	100	-	-
Voluntary group.....	2	1,626	6	{-	-	2	-	-	100
All chains.....	6	7,697	30	1	-	5	2/	-	2/
Grand total 3/	63	25,478	100	27	18	16	2/	21	2/

1/ Small firms handle less than 200 carlots per year, medium firms 200-499 and large firms 500 or more.  
2/ Withheld to avoid disclosure of individual operations.  
3/ Total sales of all firms, including resales among wholesalers and to chainstores.

Table 19.--Degree of commodity specialization of wholesalers, by type of firm,  
Houston wholesale produce market, 1958

Type of firm	(Percent of each type of firm)									
	Firms handling complete line of produce			Firms specializing in --						
	No specialization	Some specialization	Several commodity classes	One class of commodities	A single commodity	Several commodities of different classes	Percent	Percent	Percent	Percent
Receiver, commission merchant....	11	22	11	34	11	11				
Receiver-jobber, service wholesaler.....	40	30	10	--	20	--				
Jobber.....	50	--	--	--	25	25				
Jobber (delivery).....	50	--	--	--	33	17				
Truck jobber, merchant trucker.....	33	--	--	33	--	33				
Purveyor, receiver-purveyor.....	67	33	--	--	--	--				
Prepackager, repacker.....	--	--	--	12	63	25				
Wholesale handlers.....	31	15	4	10	23	7				
Selling broker.....	56	22	11	11	--	--				
Sales agency.....	--	--	--	50	50	--				
All wholesalers.....	35	16	5	12	21	11				

jobbers and service wholesalers handle a general line. Both types of jobbers are divided evenly between general-line and specialist firms. Seven out of nine brokers selling 86 percent of the volume are general-line firms.

### Inter-firm Relationships

Three Houston wholesalers -- one receiver and two prepackagers or repackers -- own or control other firms in the produce business or allied businesses. Two of the firms owned are grower-shipper operations and the other is a trucking business.

Other firms outside Houston own or control five Houston wholesalers, including one receiver, two repackers or prepackagers, and two sales agencies. Four of these are parts of multi-unit firms with operations in several markets. The other is owned by a grower-shipper operation.

### Marketing Channels

The total receipts in the Houston wholesale produce market in 1958 were 18,000 carlots (not counting 1,200 carlots sold by Houston wholesalers which bypassed the Houston market) (fig. 2). Sources of supply were:

- 79 percent directly from shipping point;
- 7 percent through buying offices, brokers and sales agencies in other markets;
- 3 percent from other terminal markets;
- 9 percent from local growers;
- 2 percent from out-of-town truckers.

Brokers and sales agencies brought in 39 percent of the supplies arriving in the market (table 20). Chains and voluntary groups accounted for 23 percent of the total supply; receivers and commission merchants for 16 percent.

Houston wholesalers sold about a third of the market receipts to other wholesalers <sup>2/</sup> (table 21). Over two-thirds of these sales were made by brokers and sales agencies; 23 percent by receivers and commission merchants. The principal purchasers were truck jobbers (32 percent), receiver-jobbers and service wholesalers (31 percent), and receivers and commission merchants (18 percent).

Wholesalers sold 9,800 carlots of produce to various types of retail outlets in the Houston market in 1958 (table 22). This was 60 percent of the receipts in the market. Sales to chains and voluntary groups amounted to 3,600 carlots, to retail stores and peddlers 5,200 carlots, and to eating places, institutions, and the military 1,000 carlots. Most of these sales were made by brokers and sales agencies, truck jobbers, receiver-jobbers, service wholesalers, receivers, and commission merchants.

Out-of-town sales of Houston wholesalers amounted to 3,700 carlots, including 1,200 carlots which bypassed the market (table 23). Most of these sales were made by brokers, sales agencies, receivers, commission merchants, repackers and prepackagers. The principal buyers were wholesalers in other markets.

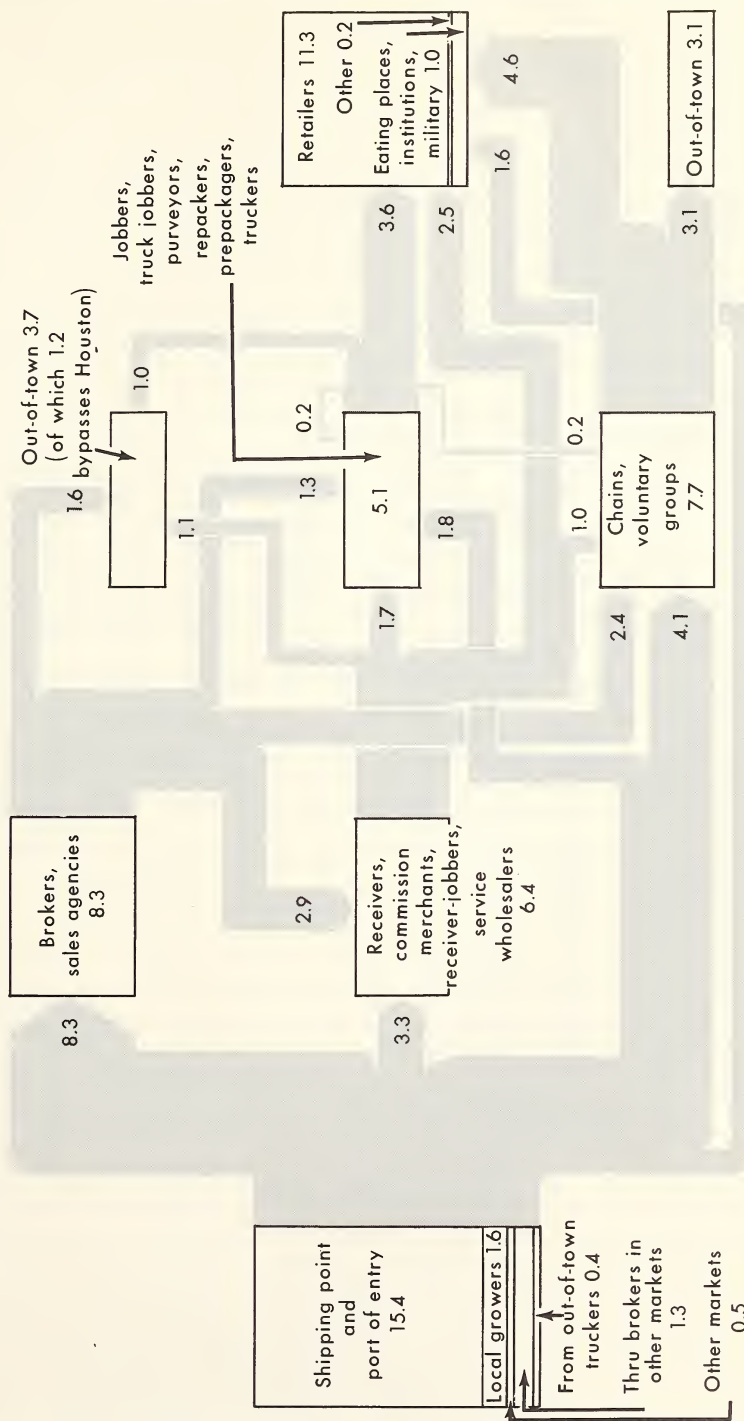
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<sup>2/</sup> Throughout the discussion of marketing channels, sales to and purchases by a group of truck jobbers whose headquarters was outside the Houston area but whose sales and purchases were both within the market have been treated as transactions with Houston wholesalers. This procedure prevents double-counting of the produce when it was sold to out-of-town firms and then again when it re-entered the market for sale to local retailers.



# MAJOR MARKETING CHANNELS, HOUSTON WHOLESALE PRODUCE MARKET, 1958

(THOUSANDS OF CARLOTS)



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1007- 62 (4) ECONOMIC RESEARCH SERVICE

Figure 2

Table 20.--Sources of supply, by class of firm,  
Houston wholesale produce market, 1958

Class of buyer	Direct from				Purchases from outside this market				Purchases from Houston			
	1,000 carlots	From shipping point or port of entry	1,000 carlots	Thru sales agencies or brokers in other cities	1,000 carlots	From local growers	From out-of-town truckers	1,000 carlots	1,000 carlots	from Houston wholesaler chain	1,000 carlots	Total purchases
Broker, sales agency.....	8.3	-	-	-	-	-	-	1/8.3	-	-	1/8.3	
Receiver, commission merchant.....	2.3	-	0.4	0.1	-	-	-	1/2.9	1.1	-	1/4.0	
Receiver-jobber, service wholesaler.....	.3	-	.1	.1	2/	2/	.4	.4	1.9	-	2.4	
Jobber, jobber (delivery).....	.2	-	.2	2/	2/	2/	.4	.4	.3	-	.7	
Truck jobber, merchant trucker 3/.....	.3	-	-	-	-	-	.3	.3	2.0	-	2.4	
Purveyor, receiver-purveyor.....	.2	-	-	2/	2/	2/	.2	.2	.7	-	.9	
Repacker, prepackager.....	.7	-	.3	2/	2/	2/	.9	.9	.2	-	1.1	
All wholesalers.....	12.3	-	.9	.2	2/	2/	1/13.5	6.3	1/19.8	-		
Chain, voluntary group....	2.8	.5	.4	.3	-	-	4.1	3.6	7.7	-		
Retailer, processor, eating place.....	.2	2/	-	1.1	.3	.3	1.6	8.8	10.4	-		
Grand total.....	15.4	.5	1.3	1.6	.4	.4	1/19.3	18.7	1/37.9	-		

1/ Includes 1,200 carlots which bypassed the Houston market. See table 23.  
2/ Less than 50 carlots.  
3/ Includes purchases by truck jobbers from out-of-town who buy and sell in Houston.  
Figures may not add exactly to total because of rounding.

Table 21.--Wholesalers sales to other Houston wholesalers, by class of firm,  
Houston wholesale produce market, 1958

Class of seller	Type of buyer						
	Receiver, commission merchant	Receiver- jobber, service wholesaler	Jobber, jobber (delivery)	Truck jobber, merchant trucker 1/	Purveyor	Repacker, prepackager	Total
	<u>1,000 carlots</u>	<u>1,000 carlots</u>	<u>1,000 carlots</u>	<u>1,000 carlots</u>	<u>1,000 carlots</u>	<u>1,000 carlots</u>	<u>1,000 carlots</u>
Broker, sales agency.....	1.1	1.8	0.1	0.5	0.4	0.2	4.2
Receiver, commission merchant..	<u>2/</u>	.1	.2	1.0	.2	<u>2/</u>	1.5
Receiver-jobber, service wholesaler..	--	<u>2/</u>	<u>1/</u>	.3	--	--	.3
Jobber, jobber (delivery)...	--	<u>2/</u>	--	.1	<u>2/</u>	--	.1
Truck jobber, merchant trucker....	--	<u>2/</u>	--	--	<u>2/</u>	--	<u>2/</u>
Purveyor, receiver-purveyor...	--	--	--	--	--	--	--
Repacker, prepackager.....	--	<u>2/</u>	--	.1	<u>2/</u>	--	.1
Total.....	1.1	1.9	.3	2.0	.7	.2	6.2

1/ Including purchases by out-of-town truck jobbers who buy and sell in Houston.

2/ Less than 50 carlots.

Figures in a row or column may not add exactly to the total because of rounding.

Table 22.--Wholesalers' sales to retail outlets, by class of firm,  
Houston wholesale produce market, 1958

Class of seller	Type of retail outlet					Total
	Chain, voluntary group	Retail store, peddler	Processor, consumer	Eating place, institution, military		
	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	
Broker, sales agency.....	2.4	0.1	--	--	2.5	
Receiver, commission merchant..	1.0	.7	--	1/	1.7	
Receiver-Jobber, service wholesaler..	1/	1.7	--	0.1	1.9	
Jobber, jobber (delivery)...	1/	.4	1/	1/	.5	
Truck jobber, merchant trucker 2/..	1/	2.0	--	1/	2.0	
Purveyor, receiver-purveyor....	1/	.1	--	.7	.9	
Repacker, prepackager.....	.1	.2	--	1/	.3	
Total.....	3.6	5.2	1/	1.0	9.8	

1/ Less than 50 carlots.

2/ Includes sales by out-of-town truck jobbers who buy and sell in Houston.  
Figures may not add exactly to the total because of rounding.

Table 23.--Wholesalers' out-of-town sales, by class of firm,  
Houston wholesale produce market, 1958

Class of seller	Wholesaler 1,000 carlots	Type out-of-town buyer			Volume bypassing the Houston Market	Volume passing thru the Houston market
		Chain; voluntary, cooperative group	Retailer	Total		
		1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker, sales agency .....	1.6	0.1	--	1.6	1.2	0.4
Receiver, commission merchant	.7	.2	--	.8	--	.8
Receiver-jobber, service wholesaler	.2	<u>1</u> / <sub>1</sub>	--	.2	--	.2
Jobber, jobber (delivery).	.1	<u>1</u> / <sub>1</sub>	--	.1	--	.1
Truck jobber, merchant trucker...	.2	<u>1</u> / <sub>1</sub>	0.1	.3	--	.3
Purveyor, receiver-purveyor.	<u>1</u> / <sub>1</sub>	--	--	<u>1</u> / <sub>1</sub>	--	<u>1</u> / <sub>1</sub>
Repacker, prepackager.....	.6	--	--	.6	--	.6
Total.....	3.4	.3	.1	3.7	1.2	2.5

1/<sub>1</sub> Less than 50 carlots.

Figures may not add exactly to the total because of rounding.



## Buying Methods

Nearly half of all purchases made by wholesale handlers direct from shipping point were handled by telephone or wire (table 24). Purchases through buying brokers at shipping point and by the wholesaler's own buyer at shipping point accounted for 15 percent each. Those made by personal contact with the grower or shipper -- mostly by the merchant truckers -- made up 11 percent of such purchases. Receivers and commission merchants relied largely on telephone purchases, while receiver-jobber and service wholesalers did most of their buying through buying brokers.

Over half of the produce purchased from local growers by Houston wholesalers came from farmers' markets, principally at the Houston Produce Terminal (table 25). One fifth was bought under standing agreements with growers for regular deliveries to receivers, receiver-jobbers, and service wholesalers. Most of the purchases of jobbers (delivery), purveyors, prepackagers, and repackers were cash purchases from farmers elsewhere than on the farmers' markets. About 3 percent of the total was handled on consignment.

Wholesalers made most of their direct purchases either on an f.o.b. basis or an f.o.b. acceptance basis. One reported buying on an f.o.b. acceptance final basis and 2 on a delivered basis. Another 5 wholesalers reported that they bought some on a delivered basis; 1 buying a relatively small amount f.o.b. and 1 f.o.b. sale at a delivered price.

Chains bought mostly on an f.o.b. basis, with smaller quantities f.o.b. acceptance and f.o.b. subject to inspection on arrival. One chain bought some on a delivered basis.

## Functions and Services

All unloading of rail cars and of trucks was done by employees of the firm, except for one firm which hired outside laborers to unload rail cars on team track.

Slightly over 400 carlots of fruits and vegetables were hauled from team tracks to wholesalers' stores before they were sold. Most of this was done by two receivers, with small amounts by five others. Nearly 90 percent of the total was hauled by hired truckers.

None of the major wholesalers in the Houston market sell produce out of the rail car or truck, but some of the secondary handlers do so, as indicated in the following tabulation:

<u>Type of firm</u>	<u>Percent of sales out of rail car or truck</u>
Receiver, commission merchant	0
Receiver-jobber, service wholesaler	0
Jobber	8
Jobber (delivery)	8
Truck jobber, merchant trucker	32
Purveyor, receiver-purveyor	8
Prepackager, repacker	0

Table 24.--Percentage distribution of shipping point purchases made by each type of firm, by method of purchase, Houston wholesale produce market, 1958

Type of firm	Consignment		Direct by phone or wire		Through shipping point buying broker		From own or affiliated farm or packing- house		Through own salaried buyer		By personal contact with shipper		Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Receiver, commission merchant ..	4		62		13		5		16		--		100
Receiver-jobber, service wholesaler ..	3		35		60		--		--		2		100
Jobber .....	--		100		--		--		--		--		100
Merchant trucker .....	--		--		--		--		--		100		100
Receiver-purveyor .....	--		100		--		--		--		--		100
Prepackager, repacker ..	--		27		15		20		29		9		100
All wholesale handlers	4		49		15		6		15		11		100

Table 25.--Percentage distribution of purchases from local growers, by method of purchase, Houston wholesale produce market, 1958

Type of firm	Consignment		Cash purchase		Standing agreement		From farmers' market		Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Receiver, commission merchant .....	6		6		22		66		100
Receiver-jobber, service wholesaler .....	--		20		29		51		100
Jobber (delivery) .....	--		80		--		20		100
Purveyor, receiver-purveyor .....	--		98		--		2		100
Prepackager, repacker .....	--		83		--		17		100
Total .....	3		22		20		55		100

While most wholesalers sell to a group of regular customers who buy in person or over the telephone fairly regularly from week to week, some find that a substantial portion of their sales are made to in-and-out customers.

<u>Type of firm</u>	<u>Percent of sales to regular customers</u>
Receiver, commission merchant	73
Receiver-jobber, service wholesaler	95
Jobber	16
Jobber (delivery)	97
Truck jobber, merchant trucker	63
Purveyor, receiver purveyor	95
Prepackager, repacker	93
Selling broker	94

Most wholesale handlers in Houston provide delivery service to their customers (table 26). Three jobbers, 1 trucker, 1 receiver, and 1 receiver-jobber do not deliver to the buyer. The volume delivered is about half of the total sales of all wholesale handlers and 64 percent of the sales of the firms which do provide some delivery service. Most delivery is in the firm's own trucks.

Fourteen wholesale firms prepackaged or repacked nearly 1,500 carlots of fresh fruits and vegetables in 1958 (table 27). Two-thirds of the volume was packaged by specialized prepackagers and repackers. Most of the volume was in tomatoes, with some potatoes. Eight firms repacked tomatoes, four prepackaged potatoes, and one onions. One receiver-jobber makes a business of buying damaged sacks of onions, regrading and repacking them. A trucker hauls in bulk loads of cabbage from the Rio Grande Valley and packs it in 50-pound sacks.

Houston wholesalers do not provide many merchandising services to their customers. Three firms suggest retail prices regularly, while seven do so for specials. Price concessions for items to be advertised as specials are provided by two firms. Two wholesalers assist in training retail store produce personnel and two provide assistance with displays, advertising, and other merchandising activities.

The typical credit terms in the Houston market are 7 days for noninstitutional customers (table 28). Most restaurants, hotels, and institutions are granted 30-day terms. Six firms sell for cash only and 9 have other terms varying from 1 to 30 days.

Only four Houston wholesalers have recently made production loans to growers. Two of them who tried partnership arrangements with growers in recent times lost money on the deals and say they will not try it again. Another makes only small personal loans to growers.

#### Margins

Target margins -- the margins which firms aim to achieve -- of receivers averaged 10.5 percent of the selling price, while those of other types of wholesalers ranged from 15.5 percent to 17 percent (table 29). Jobbers who quoted margins in terms of cents per package aimed for a 25 cent spread, while jobbers who deliver aimed for a 50 cent per package margin. Chains, which perform both wholesale and retail functions, averaged 30 percent of the sales price. The average brokerage rate was 10.3 cents per package.

Type of firm	Percentage of : firms pro- : providing de- : livery service:			Volume delivered as : percentage of sales of-- : All firms : Firms making : of : some : this type : deliveries :			Percentage of deliveries by-- : Firm's : Hired : Other : trucks : trucks : methods :		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Receiver, commission merchant ..	89	45	54	87	--	--	1/	13	
Receiver-jobber, service wholesaler ..	80	72	74	62	--	--	2/	38	
Jobber .....	25	8	47	100	--	--	--	--	
Jobber (delivery) .....	100	97	97	100	--	--	--	--	
Truck jobber, merchant trucker .....	67	50	59	100	--	--	--	--	
Purveyor, receiver-purveyor ...	100	95	95	100	--	--	--	--	
Prepackager, repacker ..	100	35	35	90	10	--	--	--	
All wholesale handlers	83	51	64	83	1	16			

1/ Receiver arranges for direct delivery by the grower to the customer.

2/ Method not stated.

Table 27.--Volume and number of items prepackaged or repacked, by type of firm, Houston wholesale produce market, 1958

Type of firm	Firms packaging or repacking--						Volume	
	One item	Two items	Four items	Total	Firms	Firms	prepackaged	or repacked
	Firms	Firms	Firms	Firms	Firms	Carlots		
Receiver, commission merchant .....	1	-	-	1	1	1/		
Receiver-jobber, service wholesaler .....	1	-	1	2	2	1/		
Jobber .....	1	-	-	1	1	1/		
Receiver-purveyor .....	-	1	-	1	1	1/		
Prepackager, repacker .....	8	-	-	8	8	996		
Voluntary group .....	1	-	-	1	1	1/		
Total .....	12	1	1	14	14	1,446		

1/ Withheld to avoid disclosure.

Table 28.--Number of firms in the Houston wholesale produce market offering various credit terms, 1958

Type of firm	Number of days credit:--						
	Cash	1-2	7	10	14	30	Open
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver,							
commission merchant .....	-	-	8	-	1	-	-
Receiver-jobber,							
service wholesaler .....	3	-	3	-	1	1	-
Jobber .....	2	1	1	-	-	-	-
Jobber (delivery) .....	1	-	3	1	1	-	-
Truck jobber,							
merchant trucker .....	-	-	2	-	-	-	-
Purveyor,							
receiver-purveyor .....	-	-	3	-	-	1	-
Prepackager, repacker .....	-	-	6	-	-	1	1
Total .....	6	1	26	1	3	3	1

Table 29.--Target margins and brokerage rates, by type of firm, Houston wholesale produce market, 1958

Type of firm	Average target margin		Average brokerage rate	Firms quoting a target margin	Firms quoting brokerage rate
	<u>Cents per package</u>	<u>Percent of sales price</u>			
Receiver .....	--	10.5	--	38	--
Receiver-jobber,					
service wholesaler .....	--	15.5	--	70	--
Jobber .....	25.0	--	--	50	--
Jobber (delivery) .....	50.0	17.0	--	83	--
Purveyor,					
receiver-purveyor .....	--	16.0	--	50	--
Chain .....	--	30.0	--	100	--
Selling broker .....	--	--	10.3	--	44



Some of the differences in margins reflect variations in operating costs of the wholesalers according to the number and kinds of functions they perform. Pre-packagers and repackers, for instance, require many more employees to handle the same volume of business as receivers. The 58 firms reporting employed 583 workers, including partners and proprietors (table 30). The wholesalers employed 467; the chains and voluntary groups 116.

### The Structure of the Retail Market

There were 1,991 retail food stores in the Houston metropolitan area in 1958 with total sales of \$398 million. Grocery stores including delicatessens accounted for 1,711 of these and had sales of \$383 million. There were 180 specialty food stores, including 63 fruit and vegetable stores with sales of \$2,260,000, 56 meat markets, and 61 other specialty stores.

Chains with 11 or more stores each operated 154 food stores in the metropolitan area with sales of \$128 million, 32 percent of total food store sales. Those with 4-10 stores each had sales of \$34 million, 9 percent of total sales. Chains with 2 or 3 stores each operated 48 stores with sales of \$21 million, 5 percent of total sales. There were 1,755 single-unit independent stores with sales of \$215 million, 54 percent of the total.

Two national and one regional chain had warehouses in Houston and the third national chain served one store in the Houston market from its Dallas warehouse. These 3 chains had a total of 55 stores in the metropolitan area and served another 39 out-of-town stores from Houston warehouses. There were also 2 bantam or drive-in chains with 96 stores in the Houston market. One of these handled produce on a small scale.

Eight local chains with 4-10 stores each had a total of 46 stores, 34 of them in the metropolitan area. None of them had produce warehouses. A number of 2-3 store chains operated 42 grocery stores in the metropolitan area.

There were three voluntary groups in the Houston market, two of which handled produce. They served about 70 stores in the metropolitan area with produce. Some of their members bought only dry groceries from them, purchasing their supplies of produce elsewhere.

### Twenty Years of Change in the Market

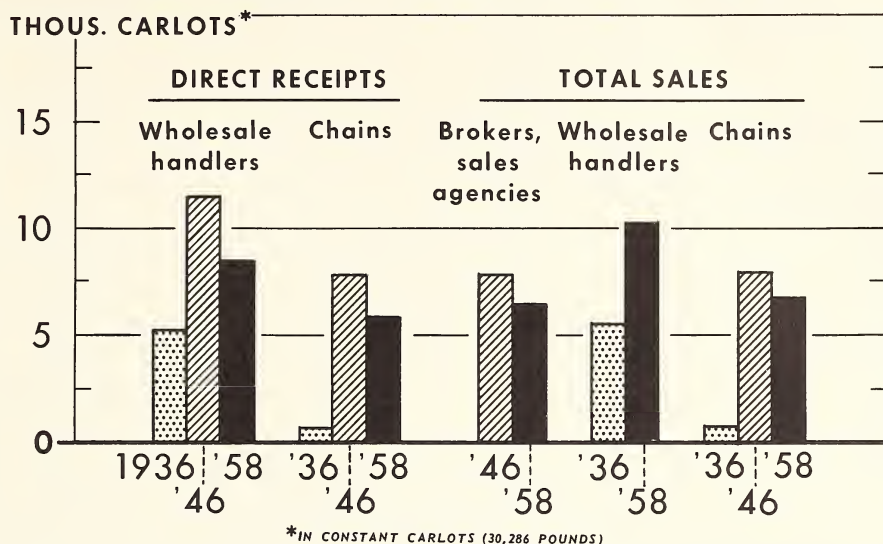
The population of the Houston area has grown very rapidly during the past 20 years and food sales have increased along with it. Between 1935 and 1958, retail food store sales in the Houston metropolitan area -- adjusted for changes in food prices -- increased almost seven-fold. The total volume of fresh fruits and vegetables has not increased as rapidly as total food sales, but it did rise from 6,000 carlots in 1936 to a high of 19,000 carlots in 1946. In 1958, it was about 14,300 carlots.

Direct receipts of chains were only about 700 carlots in 1936 (fig. 3). In 1946, they were reported at 7,800 carlots and in 1958 at 5,800 carlots. Wholesalers received 5,300 carlots direct from shipping points and local growers in 1936, 11,500 in 1946, and 8,400 in 1958. Total sales of wholesale handlers increased from 5,600 carlots in 1936 to 10,500 carlots in 1958, while those of chains increased from 900 to 6,900 carlots. Brokers sales were 7,900 carlots in 1946 and 6,400 in 1958.

Table 30.--Number of employees, by type and size of firm,  
Houston wholesale produce market, 1958

Type of firm	:	:	All sizes of firms	Size of firm, by 1958 sales volume--				
				:	:	:	:	:
				Less than	200	200-499	500	
				carlots	carlots	carlots	or more	carlots
			<u>Firms</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>
Receiver,	:	:						
commission merchant ..:	:	:	9	108	7	53	48	
Receiver-jobber,	:	:						
service wholesaler ...:	:	:	9	88	23	22	43	
Jobber .....	:	:	3	6	6	--	--	
Jobber delivery .....	:	:	6	39	34	5	--	
Truck jobber,	:	:						
merchant trucker .....	:	:	3	11	4	7	--	
Purveyor,	:	:						
receiver-purveyor ....:	:	:	6	69	13	56	--	
Prepackager, repacker ..:	:	:	8	121	54	67	--	
All wholesale handlers:	:	:	44	442	141	210	91	
Selling broker .....	:	:	9	25	--	5	20	
All wholesalers .....	:	:	53	467	141	215	111	
Chain, voluntary group ..:	:	:	5	116	3	--	113	
Grand total .....	:	:	58	583	144	215	224	

# DIRECT RECEIPTS AND TOTAL SALES, WHOLESALE HANDLERS AND CHAINS, HOUSTON



U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 1009-62 (4)

ECONOMIC RESEARCH SERVICE

Figure 3

## Number and Type of Firms

The number of Houston wholesalers listed in the Red Book changed very little between 1939 and 1948 and then jumped sharply in the next 10 years (table 31). There was an increase of nearly 40 percent between 1948 and 1958, most of it in receivers, receiver-jobbers, repackers, and importers. The number of brokers dropped by nearly one half between 1939 and 1958.

## Entrance and Exit of Wholesalers

There has been considerable turnover among the firms listed in the trade directory. Only 15 of the 53 firms listed in 1939 were still in the 1958 list; 28 of them went out of business before 1948 and another 10 between 1948 and 1958. An additional 26 firms came into the produce business between 1939 and 1948, 17 of them disappearing before 1958. In the 1948-1958 decade, another 41 firms went into the produce business in Houston.

Only about a third of the wholesalers who were in business in 1958 had been in business more than 20 years (table 32). Thirty percent had been in business less than 10 years. There was not much variation between types of firms in the ages of the firms -- about half of the firms in each type of business had been in business less than about 15 years.

Table 31.--Number of firms, by type, Houston wholesale produce market, 1939, 1948, and 1958

Class of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber,			
commission merchant .....	22	25	36
Jobber .....	1	2	1
Repacker, prepackager .....	--	--	3
Truck jobber .....	2	3	5
Trucker .....	--	--	1
Importer .....	--	--	3
Shipper .....	--	1	1
Wholesale handlers .....	25	31	50
Broker .....	19	12	10
Distributor,			
sales agency .....	1	1	1
All wholesalers .....	45	44	61
Chain .....	2	3	2
Wholesale grocer .....	6	4	2
Grand total .....	53	51	65

### Growth and Decline

Changes between 1948 and 1958 in the volume of sales of different types of firms reflect fairly well the changing currents in the wholesale produce business. During this period, 4 out of 5 brokers who were in business through the decade had lost 10 percent or more of their volume (table 33). All jobbers had lost sales, as had half the jobbers (delivery). Receivers, receiver-jobbers, service wholesalers, purveyors, prepackagers and repackers had done fairly well. Two-thirds of the chains and voluntary groups reported increases in sales.

### Changes in Trade Channels

Only a small proportion of the wholesalers in Houston have changed their sources of supply since 1948. One is buying more direct from shipping point and two have decreased such purchases. Another three are buying more from local wholesalers and one increased his purchases from Houston brokers, while two decreased purchases from local brokers. Another is buying less from nearby farmers and one is handling less on consignment. Two retail organizations are buying less from local brokers, while another has switched his purchases from local wholesalers to brokers.

Changes in outlets reported by wholesalers include:

More to institutional outlets	1 firm
More to local jobbers	1 firm
More to local wholesalers	1 broker

Table 32.--Percentage of firms in business for specified periods, by type of firm,  
Houston wholesale produce market, 1958

Type of firm	1-4 years	5-9 years	10-19 years	20-29 years	30-39 years	40-49 years	50-59 years	Total
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Receiver, commission merchant .....	--	33	34	11	22	--	--	100
Receiver-Jobber								
service wholesaler .....	11	--	45	11	22	11	--	100
Jobber .....	25	--	50	--	--	--	25	100
Jobber (delivery) .....	--	33	50	--	--	--	17	100
Truck jobber, merchant trucker .....	--	--	50	50	--	--	--	100
Purveyor,								
receiver-purveyor .....	17	17	32	--	17	17	--	100
Prepackager, repacker .....	12	25	38	25	--	--	--	100
Selling broker .....	--	45	11	22	11	--	11	100
All firms .....	8	22	36	13	11	4	6	100



Table 33.--Change in sales volume between 1948 and 1958,  
Houston wholesale produce firms in business in 1958

Type of firm	Change in sales--			
	Increased 10 percent or more	Changed less than 10 percent	Decreased 10 percent or more	All firms
	Percent	Percent	Percent	Percent
Receiver .....	67	33	--	100
Receiver-jobber, service wholesaler .....	57	14	29	100
Jobber .....	--	--	100	100
Jobber (delivery) .....	25	25	50	100
Purveyor, receiver-purveyor .....	50	25	25	100
Prepackager, repacker ...	50	50	--	100
Selling broker .....	--	20	80	100
All wholesalers <sup>1/</sup> .....	36	21	43	100
Chain, voluntary group .....	67	--	33	100

<sup>1/</sup> Including 4 types of firms not shown separately in order not to disclose data for individual firms.

Changes in outlets reported by wholesalers include: (continued)

Less to chains	8 firms
Less to independent grocery stores	2 firms
Less to institutional outlets	1 firm
Less to local jobbers	1 firm
Less to truckers	1 firm
Less to peddlers	1 firm

Changes in Services

Six Houston wholesalers have made changes in the services provided or functions performed during the past 10 years. One small firm is providing less delivery service; a medium firm provides more. Another medium firm is furnishing more services to retailers, including several forms of merchandising assistance. A banana jobber has shifted from selling in bunches to boxing bananas. Another firm which formerly handled dry groceries in addition to produce dropped that line two years ago. One truck jobber acquired a warehouse and became a receiver-jobber.

Only 2 firms reported any changes in credit conditions: one finds collection more difficult than it was 10 years ago; a second grants less credit than formerly.

Outlook of Wholesalers

Half of the wholesalers in Houston feel that the outlook for their type of business is good. Another 23 percent feel that it is fair and 25 percent that it is bad. One firm

says the future is unknown. Two thirds of the receivers and commission merchants feel the outlook is bad, as do both of the truck jobbers and truckers who replied. Half or more of the firms in each of the other types feel that the outlook is good. Firms whose sales volume has declined the most during the past 10 years are among the more optimistic -- 7 of the 8 firms whose sales declined the most said the outlook for their type of business was good. The 5 firms whose sales increased the most included none who said the outlook was good, 3 who said fair, 1 unknown, and 1 bad.

Three wholesalers went out of business in 1958 and 1959 and seven more expect to in the next few years. Other wholesalers have plans for changes in their businesses:

Move to new location in the market	Start a fruit and vegetable store
Enlarge cooler	Buy everything direct from shipping point
Provide more store merchandising services	Change to another type of business
Change from bananas to a full line	Carry a broader commodity line
Expand cafe trade	Expand business volume

### LITTLE ROCK

Little Rock, the capital of Arkansas, is principally a distribution market for fresh fruits and vegetables to retailers in the metropolitan area and for 100 miles or more in the surrounding country. Well over half of the produce received in the market is ultimately distributed to retail stores outside the metropolitan area.

There is no distinct wholesale produce market area. Wholesalers and chainstores are located in a number of places in Little Rock and North Little Rock, with only a minimum of concentration in one area.

#### The Structure of the Market

There are 16 firms in the Little Rock wholesale produce market (table 34). The 13 wholesale handlers sell 57 percent of the total; 1 broker and 2 chainstores account for the remaining 43 percent. Two large service wholesalers and 3 smaller receivers handle 39 percent of the total volume (including resales among wholesalers and to chainstores). Two jobbers (delivery), 1 purveyor, and 1 repacker handle 15 percent of the total. The 4 truck jobbers handle 3 percent. The 4 large firms -- 2 service wholesalers and 2 chains -- sell two-thirds of the total, and 5 medium-sized firms one-fourth.

Most wholesalers handle a general line of produce (table 35). Two receivers and the repacker are specialists, while the broker is somewhat specialized. The general-line wholesale handlers sell 80 percent of the volume of all wholesale handlers.

One Little Rock wholesaler owns a packinghouse in one of the producing areas of Arkansas. There are no other ownership or control relationships among produce firms in the market, except for the chains, which are both divisional warehouses of national chains.

#### Marketing Channels

A total of slightly over 5,100 carlots of fresh fruits and vegetables came into the Little Rock market in 1958. The channels through which they passed are shown in figure 4.

Table 34.--Number of firms by size and type, and volume handled, by type of firm,  
Little Rock wholesale produce market, 1958

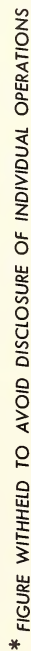
Type of firm	All firms		Distribution of firms by size 1/			Percentage of volume handled by--		
	Volume handled		firms			firms		
	Number	Quantity	Small	Medium	Large	Small	Medium	Large
		of total market				firms	firms	firms
Receiver .....	3	39	{ 2	1	--	31	69	--
Service wholesaler .....	2}	2,344	--	--	--	--	--	100
Truck jobber .....	4	173	4	--	--	100	--	--
Jobber (delivery) .....	2		--	2	--	--	100	--
Receiver-purveyor .....	1}	15	{ --	1	--	--	100	--
Repacker .....	1	942	1	--	--	100	--	--
All wholesale handlers ..	13	3,459	7	4	2	--	2/	2/
Selling broker .....	1}	2,677	{ --	1	--	--	100	--
National chain .....	2}		--	--	2	--	--	100
Grand total .....	16	6,136	100	7	5	4	8	26
								66

1/ Small firms handle less than 200 carlots per year, medium firms 200 to 499, and large firms 500 or more.  
2/ Withheld to avoid disclosure of individual operations.

Table 35.--Degree of commodity specialization of wholesalers, by type of firm,  
Little Rock wholesale produce market, 1958  
(Percent of each type of firm)

Percent of each type of firm									
Type of firm	Firms handling complete line of produce		Firms specializing in--					A single commodity	
	No specialization	Some specialization	Several groups of commodities	One group of commodities					
					Percent	Percent			
	Percent	Percent	Percent	Percent	Percent	Percent	Percent		
Receiver .....	33	--	33	33	--	--	--		
Service wholesaler .....	100	--	--	--	--	--	--		
Jobber (delivery) .....	100	--	--	--	--	--	--		
Purveyor .....	100	--	--	--	--	--	100		
Repacker .....	--	--	--	--	--	--	--		
Truck jobber .....	100	--	--	--	--	--	--		
Selling broker .....	--	100	--	--	--	--	--		
All wholesalers.....	72	7	7	7	--	7	--	7	

(THOUSANDS OF CARLOTS)



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Figure 4



Most of the produce -- 82 percent -- came directly from shipping point or port of entry. Eight percent was bought through sales agencies and brokers in other markets and 10 percent from local growers (table 36). Chainstores and brokers together accounted for a little over half of the volume arriving in the market. Receivers and service wholesalers brought in most of the rest.

Little Rock wholesalers resold 20 percent of the total receipts to other wholesalers (table 37). Receivers and service wholesalers made 70 percent of these sales. They also accounted for half of such purchases.

The chainstores bought relatively little from local wholesalers (table 38). One-third of wholesalers' sales to retail outlets were made by receivers and service wholesalers; most of the remainder by jobbers, purveyors, and repackers.

Wholesalers' sales to out-of-town customers accounted for 31 percent of the total receipts in the market (table 39). Almost all out-of-town buyers were retail stores. Over 80 percent of these sales were made by receivers and service wholesalers.

### Buying Methods

Little Rock wholesale handlers made 51 percent of the direct purchases from shipping point through buying brokers (table 40). Almost all of the remainder were made directly over the telephone, with small amounts at shipping point farmers' markets.

Most purchases from shipping point are made on a delivered basis. Three wholesalers make about two-thirds of the purchases direct from shipping point. The chains buy mostly on a delivered basis while other firms usually buy on an f.o.b. basis. The second-choice method of 4 firms is f.o.b. and of one f.o.b. acceptance final.

### Functions and Services

Four small and medium-sized firms reported receiving produce by rail on team track and 4 large firms received produce on their own store sidings. All of them unloaded the cars with their own employees. Nine firms received produce by over-the-road truck at their stores or warehouses; 7 of them unloaded the trucks with their own employees; 1 reported that the trucker did the unloading; and another that he hired stevedore gangs to unload from the tailgate.

The 4 wholesalers receiving shipments on team track hauled a total of 70 carlots of produce to their stores, all of it in their own trucks.

Nearly all of the produce sold by wholesale handlers went through their stores, except for truck jobbers and one other wholesaler. All but one of the wholesale handlers provided delivery service for his customers (table 41). Eighty-five percent of the sales of wholesale handlers were delivered, most of it in the firm's own trucks.

Five Little Rock firms -- 2 service wholesalers, a purveyor, a repacker, and a chain -- prepackaged or repacked about 500 carlots of fruits and vegetables in 1958. All of the wholesalers put up a single commodity; the chainstore prepackaged 2 items.

Little Rock wholesalers offered relatively few merchandising services to their customers. One wholesaler suggested selling prices to retailers; another assisted in training retail produce department personnel; 3 helped with advertising and



Table 36.--Purchases, by source of supply and by class of buyer Little Rock wholesale produce market, 1958

Class of buyer	Purchases from outside this market					Purchases from			Total	Purchases from			Total
	Direct from shipping point or port of entry	Thru sales agencies or brokers in other cities	1,000 carlots	From local growers	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots		Little Rock wholesalers, and chains	1,000 carlots	1,000 carlots	
Broker .....	1/	--	--	--	--	1/	1/	--	1/	--	--	1/	
Receiver, service wholesaler .....	1.4	0.2	0.2	0.2	0.2	1.4	1.8	0.5	2.3	0.1	0.5	2.3	
Truck jobber .....	--	--	--	--	--	--	.1	--	.1	--	--	.2	
Jobber (delivery) receiver-purveyor, repacker .....	.4	2/	2/	.1	.1	.4	.6	.4	.9	--	--	.9	
Chain .....	1/	.2	.2	2/	.2	1/	1/	.1	1/	--	--	1/	
Retailer, eating place .....	--	--	--	--	--	--	.1	1.8	1.9	--	--	1.9	
Grand total .....	4.2	.4	.4	.5	.5	5.2	5.2	3.0	8.2			8.2	

1/ Figure withheld to avoid disclosure of individual operations.

2/ Less than 50 carlots.

Figures in a row or column may not always add exactly to the total because of rounding.

Table 37.--Wholesalers' sales to other Little Rock wholesalers, by class of firm, Little Rock wholesale produce market, 1958

Class of seller	Type of buyer				Total
	Receiver, service wholesaler	Truck jobber	Jobber (delivery), purveyor, repacker	1,000 carlots	
Broker .....	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Receiver, service wholesaler .....	1/	--	1/	1/	1/
Truck jobber .....	0.3	0.1	0.3	0.7	0.7
Jobber (delivery), receiver-purveyor, repacker .....	--	--	--	--	--
Total .....	1/	--	1/	1/	1/
	.5	.1	.4	1.0	1.0

1/ Figure withheld to avoid disclosure of individual operations.

Figures in a row or column may not always add exactly to the total because of rounding.

Table 38.--Wholesalers' sales to retail outlets, by class of firm,  
Little Rock wholesale produce market, 1958

Class of seller	Type of retail outlet				Total
	Chain	Retail store, peddler	Eating place, institution, military		
	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker .....	--	--	--	--	--
Receiver, service wholesaler .....	0.1	0.2	0.1	0.4	0.4
Truck jobber .....	--	1/	--	1/	1/
Jobber (delivery), receiver-purveyor, repacker .....	.1	.6	.1	.8	.8
Total .....	.2	.8	.2	1.2	1.2

1/ Less than 50 carlots.

Figures in a row or column may not always add exactly to the total because of rounding.

Table 39.--Wholesalers' out-of-town sales, by class of firm,  
Little Rock wholesale produce market, 1958

Class of seller	Type of out-of-town buyer					Volume passing thru the Little Rock market
	Wholesaler	Chain; voluntary, cooperative; group	Retailer, rolling store	Total		
	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots	1,000 carlots
Broker 1/ .....	--	--	--	--	--	--
Receiver, service wholesaler .....	2/	2/	1.3	1.3	--	1.3
Truck jobber .....	--	--	.2	.2	--	.2
Jobber (delivery), receiver-purveyor, repacker .....	2/	2/	2/	.1	--	.1
Total .....	0.1	2/	1.5	1.6	--	1.6

1/ Figure withheld to avoid disclosure of individual operations.

2/ Less than 50 carlots.

Figures in a row or column may not always add exactly to the total because of rounding.

Table 40.--Percentage distribution of shipping point purchases made by each type of firm,  
by method of purchase, Little Rock wholesale produce market, 1958

Type of firm	Direct by phone or wire	Through shipping point buying broker	From shipping point farmers market	Total purchases from shipping point
	Percent	Percent	Percent	Percent
Receiver, service wholesaler .....	47	53	--	100
Jobber (delivery), prepackager, purveyor .....	49	40	11	100
Wholesale handlers .....	47	51	2	100

Table 41.--Extent of delivery service by Little Rock wholesale produce handlers, 1958

Type of firm	Percentage of firms providing delivery service	: Volume delivered as : : percentage of sales of--				Percentage of deliveries by--			
		All firms of this type	Firms making some deliveries	Firm's trucks	Hired trucks	Method unknown	Percent	Percent	Percent
Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Receiver, service wholesaler ..	80	79	83	100	--	--			
Jobber (delivery), purveyor,	100	96	96	22	11	67			
repacker .....	100	100	100	100	--	--			
Truck jobber .....									
Wholesale handlers ..	92	85	87	76	4	20			

displays; 1 suggested selling prices on specials; and another offered complete merchandising services to the stores.

Almost all sales were to regular customers. Only 2 wholesalers reported sales to customers who were not considered "regular."

Little Rock wholesalers had 159 employees, including proprietors and partners (table 42). The large service wholesalers employed 86 of them and the small receivers 29.

### The Structure of the Retail Market

There were nearly 600 retail food stores in the Little Rock metropolitan area in 1958 with total sales of \$63 million. These included 509 grocery stores including delicatessens with sales of \$60 million, 14 meat markets with sales of \$1.2 million, 18 fruit and vegetable stores with sales of \$228 thousand, 15 retail bakeries with sales of \$544 thousand, and 38 other specialty food stores.

Independent single-unit food stores accounted for 92 percent of the stores and made 44 percent of the total sales. There were 48 stores belonging to chains of 2 or more stores with 56 percent of the sales. The chainstores included 12 specialty food stores belonging to chains with from 2 to 10 stores each. The 2 national chains serviced a total of 82 stores from warehouses in Little Rock, including 24 in the metropolitan area. Two chains with 5 stores each operated 8 grocery stores in the Little Rock market. Small chains of 2-3 stores had 10 grocery stores in the market.

### Twenty Years of Change in the Market

#### Number and Type of Firms

In 1939, there were 27 wholesalers in the Little Rock market, according to the listings in a leading trade directory. The number increased to 33 in 1948 and then dropped to 20 in 1958 (table 43). Most of the decline was in receivers and receiver-jobbers and in brokers. The numbers of other types of firms either stayed unchanged or increased over the period. The number of chains handling produce was unchanged throughout the period, while the number of wholesale grocers dropped from 4 to none.

#### Entrance and Exit of Wholesalers

Only one-third of the firms listed in the trade directory in 1939 were still in business in 1958. Over a half went out of business before 1948 and the other 10 between 1948 and 1958. Another 20 came into business between 1939 and 1948, only 5 of them remaining in the listings by 1958.

Half of the wholesalers who were interviewed had been in business more than 20 years; 38 percent from 30-39 years (table 44). None had gone into business during the past 4 years.

#### Changes in Trade Channels

Only 2 wholesalers reported any changes in sources of supply during the past 10 years. One was buying less directly from shipping point and more from local brokers and the second had made the opposite shift. One chain had also shifted to more direct buying.

Table 42.--Number of employees, by type and size of firm,  
Little Rock wholesale produce market, 1958

Type of firm	All sizes of firms	Size of firm, by 1958 sales volume--			
		Less than 200 carlots	200-499 carlots	500 or more carlots	
	<u>Firms</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>	<u>Employees</u>
Receiver, service wholesaler .....	5	123	29	8	86
Receiver-purveyor, repacker .....	2	35	18	17	--
All wholesale handlers ...	7	158	47	25	86
Selling broker .....	1	1	--	1	--
All wholesalers .....	8	159	47	26	86

Table 43.--Number of firms, by type,  
Little Rock wholesale produce market, 1939, 1948, and 1958

Class of firm	1939	1948	1958
	<u>Firms</u>	<u>Firms</u>	<u>Firms</u>
Receiver, receiver-jobber .....	11	14	7
Jobber .....	--	--	1
Repacker, prepackager .....	--	--	1
Truck jobber .....	2	7	5
Shipper, packer .....	--	1	--
All wholesale handlers ...	13	22	14
Broker .....	13	11	5
Buying broker .....	1	--	1
Brokers and agencies .....	14	11	6
All wholesalers .....	27	33	20
Chain .....	3	3	3
Wholesale grocer .....	4	3	--
Grand total .....	34	39	23

Packer Red Book, 1939 and 1948; Fresh Year Book Issue, The Packer, 1958.

Table 44.--Percentage of firms in business for specified periods, by type of firm,  
Little Rock wholesale produce market, 1958

Type of firm	1-4 years	5-9 years	10-19 years	20-29 years	30-39 years	Total
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Receiver, service wholesaler .....	--	20	20	20	40	100
Receiver-purveyor, repacker .....	--	50	--	--	50	100
Selling broker .....	--	--	100	--	--	100
Total .....	--	25	25	12	38	100



Changes in outlets were reported by 2 other wholesalers; one is selling more to local jobbers and less to receivers and service wholesalers because of the declining number of large wholesalers. The other is selling less to chains and more to institutional outlets. Several firms find that there are fewer retail buyers, but that those remaining are larger. They also report a tendency on the part of retailers to do business regularly with one produce wholesaler rather than to shop around.

#### Changes in Services

One wholesaler started a training program for retail store produce personnel during the past 10 years. Another has shifted to delivering in refrigerated trucks. Only one wholesaler has changed the credit terms offered to his customers since 1948 -- he is offering credit for a longer period than previously.

#### Outlook of Wholesalers

Only one of the wholesalers who replied felt that the outlook for his type of business was good. Another said that it was fair, and the remainder felt that it was bad. The optimist was a relative newcomer to the business.

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## APPENDIX

### Territory Included in the Market

The territory we define as a market is the standard metropolitan statistical area.

Dallas-Fort Worth -- Collin, Dallas, Denton, Ellis, Johnson and Tarrant  
Counties, Texas.

Houston -- Harris County, Texas

Little Rock -- Pulaski County, Arkansas

### Types of Firms

Brokers and agencies (firms that do not physically handle merchandise although they may arrange for such physical handling by others):

Auction  
Auction representative  
Buying broker  
Buying office  
Cooperative sales agency  
Carlot distributor

Distributor  
Importer's sales agency  
Sales agent  
Selling broker  
Terminal broker

## Retail organizations:

Corporate chains:  
National chain  
Regional chain  
Local chain  
Local chain without warehouse  
Voluntary group  
Retailer cooperative

## Wholesale handlers (firms that physically handle merchandise):

Banana jobber	Itinerant trucker
Commission importer	Jobber
Commission wholesaler	Jobber (delivery)
Commission merchant	L.c.l. shipper
Exporter	Merchant trucker
Importer	Mixed load shipper
Prepackager	Packer-shipper
Purveyor	Secondary wholesaler
Receiver	Service jobber
Receiver-jobber	Service wholesaler
Receiver-purveyor	Truck jobber
Repacker	Wholesale grocer

## Definitions of Terms Used in This Study

Auction.--A terminal market fruit auction which acts strictly as a service agency, providing facilities and organization for selling and handling the produce. (or arranging for such handling), but having no financial interest in the produce.

Auction representative.--A selling broker more than half of whose business is on the fruit auction as a shipper's representative.

Banana jobber.--Considered a special case and classified as a jobber, even though he is usually the first receiver in the market. He ripens, cuts, and boxes bananas.

Buying broker.--Buys in less-than-carload lots in the terminal market, including the fruit auction, for out-of-town wholesalers and chainstores or for local retailers. May arrange for loading and shipment, but does not handle the produce himself. In some cases, he may accept the billing for the merchandise (especially when buying for foreign customers, usually Canadian) but this is done as a convenience for the buyer.

Brokers and agencies.--Firms which do not physically handle the produce, although they may arrange for such physical handling by others.

Buying office.--A salaried buyer for an out-of-town wholesaler or chainstore. Arranges for loading and shipment but does not handle the produce himself.

Carlot distributor.--Buys and sells full carlots and takes title. He may do some brokerage business as well. Does not physically handle the produce.

Commission importer.--An importer who operates on a commission basis.

Commission merchant.--A receiver who handles more than half his volume on consignment from growers or shippers.

Commission wholesaler.--A receiver-jobber who handles more than half of his produce on consignment from growers or shippers, often nearby growers.

Cooperative sales agency.--Salaried representative of a farmer cooperative in the terminal market. Does not physically handle produce.

Direct purchases from shipping point.--Purchases by the buying firm from sellers located at a shipping point.

Direct receipts from shipping point.--Receipts of produce directly from shipping point, including both direct purchases from shipping point and purchases through brokers, sales agencies, and others in the terminal market where the actual shipment is made directly to the first receiver.

Distributor.--Buys full carlots or trucklots. Sells in l.c.l. quantities to wholesalers, chainstores, and others. Does not physically handle the produce. Sells out of car, either before or after receipt. May do some brokerage business as well.

Exporter.--Buys produce on his own account and ships to foreign countries or to noncontiguous areas of the United States (for example, Alaska, Hawaii, Puerto Rico).

Firm.--The firm in this study is a separate business operation. It does not necessarily coincide with the legal or other definition of the firm. For example, a single corporation which operated a prepackaging plant and a receiving operation generally would be treated as two firms in this study. The relationships between the two firms so defined is indicated under interfirm relationships. This type of definition permits us to treat different types of operations as relatively pure single-function firms, rather than trying to handle multiple operations as a single firm which does not fit in any category.

Importer.--Imports produce from foreign countries and takes title

Importer's sales agency.--Salaried representative of an importer (usually a banana importer) in the terminal market. Does not physically handle produce.

Itinerant trucker.--A trucker who does not maintain a store or warehouse. Usually buys on speculation and hauls to another city where he hopes to resell at a higher price. May operate as a for-hire trucker at one time and as an itinerant trucker at another time.

Jobber.--Purchases more than half of his produce from wholesale handlers in the local market. Sells more than half his produce to retail stores and institutional outlets. Handles the merchandise through his own store.

Jobber (delivery).--A jobber who delivers more than half his produce to his customers.

L.c.l. shipper.--Buys in the terminal market and takes title. Ships less-than-carload lots to wholesalers and chainstores in other markets.

Large firms.--Those selling 500 or more carlots of produce annually.

Local chain.--A corporate chain with only one warehouse distribution area.

Local chain without warehouse.--A local chain which does not operate its own produce warehouse, although it almost always operates a dry grocery warehouse.

Market.--The standard metropolitan statistical area or, if area has not been defined, the county concerned.

Market area.--A limited area within the market where firms are concentrated.

Medium firms.--Those selling 200 to 499 carlots of produce annually.

Merchant trucker.--A trucker who buys at shipping point or in other markets and hauls in his own truck to the terminal market where he maintains a store or warehouse.

Mixed load shipper.--Buys in the terminal market and takes title. Ships full loads (mostly truckloads) to wholesalers in other markets.

National chain.--The three largest chainstores with warehouse distribution areas over more than half the country.

Packer-shipper.--Receives products directly from farms, packs, and ships. Most such firms are, of course, located in the country, but a few are found in markets such as Los Angeles.

Produce.--Used interchangeably with "fresh fruits and vegetables."

Purveyor.--A jobber who sells more than half his produce to hotels, restaurants, and institutions.

Receiver.--Purchases produce for own account usually in full carlots or trucklots. Direct receipts from shipping point account for more than half his purchases. Performs the physical functions of unloading and handling in his own facilities, on team track, or at the terminal. More than half his sales are to other wholesalers, chain-store warehouses, or processors.

Receiver-jobber.--Direct receipts from shipping point are more than half his purchases. More than half his sales are to retail stores and institutional outlets. Receives and handles produce in his own warehouse or store.

Receiver-purveyor.--A purveyor who receives more than half his produce direct from shipping point.

Regional chain.--A corporate chainstore organization with two or more warehouse distribution areas.

Repacker, prepackager.--A prepackager has more than half of his produce in consumer packages. A tomato repacker ripens, sorts and packages tomatoes.

Retailer cooperative.--A wholesale operation owned by member retailers.

Sales agent.--An independent selling agency for a wholesaler, who receives a commission on sales made for the principal. Typically a one-man operation selling for a purveyor.



Secondary wholesaler.--A wholesaler who buys from local wholesale handlers and resells to other wholesalers such as jobbers and truck jobbers. Handles the produce and takes title.

Selling broker.--Negotiates sales on behalf of a number of shippers, but does not take title and does not physically handle the produce.

Service jobber.--A service wholesaler who buys more than half his produce from local wholesale handlers.

Service wholesaler.--A receiver-jobber who performs additional services for his customers, the retail stores, such as suggesting retail prices, training produce personnel, and assisting with advertising and merchandising.

Small firms.--Those selling less than 200 carlots of produce annually.

Terminal broker.--Operates like a selling broker except that he represents buyers rather than sellers, and collects his fee from the buyer.

Truck jobber.--A jobber who conducts his business from his truck. He does not sell from a store, but usually has a regular customer route, delivering on a fixed schedule.

Voluntary group.--A group of retail stores sponsored by an independent wholesale grocer.

Wholesale grocer.--A receiver-jobber or service wholesaler whose main line is dry groceries and who does not sponsor a voluntary group or retailer cooperative.

Wholesale handlers.--Firms which physically handle the produce.



Growth Through Agricultural Progress











